COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

9142

COMPANY NAME

METRO GLOBAL HOLDINGS CORPORATION (FORMERLY FIL ESTATE CORPORATION)

PRINCIPAL OFFICE (No./Street/Barangay/City/Town)Province)

MEZZANINE FLOOR, RENAISSANCE TOWER, MERALCO AVENUE, PASIG CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
17A	SEC	Not applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@metroglobalholdings.com	8633-6205	Not applicable

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1906	1st Thursday of March	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ramon G. Jimenez	monjay@ymail.com	8633-6205	Not applicable

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.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2021**

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. **Pasig City, 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 **1600**
   Address of Principal Office Postal Code

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

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

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

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

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

12. Check whatever the registrant:

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

    Yes [X] No [ ]

    (b) has been subject to such filing requirements for the past 90 days.
    Yes [ ] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates:
    ₱240,559,298.00@ ₱1.00/share as of December 31, 2021

14. Document incorporated by reference: **2020 Audited Financial Statements**

METRO GLOBAL HOLDINGS CORPORATION

TABLE OF CONTENTS
SEC FORM 17-A

		Page
Part I	**BUSINESS AND GENERAL INFORMATION**	
Item 1	Business	1-12
Item 2	Property	12-13
Item 3	Legal Proceedings	14
Item 4	Submission of Matters to A Vote of Security Holders	14
Part II	**OPERATIONAL AND FINANCIAL INFORMATION**	
Item 5	Marketing of Registrant's Common Equity and Related Stockholder's Matters	14-15
Item 6	Management's Discussion and Analysis of Plan of Operation	15-28
Item 7	Financial Statements	28
Item 8	Changes in and Disagreements with Accountants on Accounting And Financial Disclosure	28
Part III	**CONTROL AND COMPENSATION INFORMATION**	
Item 9	Directors and Executive Officers of the Registrant	28-32
Item 10	Executive Compensation	32-36
Item 11	Security Ownership of Certain Beneficial Owners and Mgnt.	34-36
Item 12	Certain Relationships and Related Transactions	36
Part IV	**CORPORATE GOVERNANCE**	37
Part V	**EXHIBITS AND SCHEDULES**	
Item 14	1. a. Exhibits	37-52
	b. Reports on SEC Form 17-C	
	2. 2020 Sustainability Report	53-103

SIGNATURES

STATEMENT OF MANAGEMENT RESPONSIBILITY

STATEMENT TO FINANCIAL STATEMENTS AND SUPPLEMENTARY

Item 1. Business

Business Development

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

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

On December 11, 2000, the SEC approved the Parent 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 Parent Company's term of existence for another fifty (50) years.

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

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

On May 19, 2017, the Parent Company incorporated MGHC Royal Holdings Corporation (MGHC Royal). MGHC Royal was organized and established as a domestic corporation to engage in the business of investing, purchasing, or otherwise acquiring, and owning, holding, using, selling, assigning, transferring, pledging, exchanging, or otherwise disposing of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities of obligation of any other corporation or corporations associations or associations, domestic or foreign, for whatever lawful purpose or purposes. The Parent Company owns 99% of MGHC Royal.

On November 22, 2018, at the Annual Stockholder's Meeting of the Parent Company, the stockholders representing 2/3 of the outstanding capital stock of the Parent Company, approved the Increase in the Capital Stock of the Parent Company from P2 billion to P5 billion, with Fil-Estate Management, Inc. subscribing to the said increase to the extent of P750,000,000.00. The increase is still pending approval with the Securities and Exchange Commission as of December 31, 2021.

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

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

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

On August 25, 2020, the Parent Company incorporated Metro Renewable Transport Solutions, Inc. (MRTSI). MRTSI was organized and established as a domestic corporation to engage in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, roads, bridges, railways, ports, highways and other passages and facilities for transportation and communication.

MRTSI is intended to be the special purpose vehicle company to undertake the new public transport system projects of the Group that offers access to multiple transport options using one interface that includes monorail, trolleybus, electric bus and similar electricity-fed transport. The first of these kind of projects is already the subject of an ongoing Feasibility Study in Baguio City under a Memorandum of Understanding (MOU) with the City of Baguio signed last September 3, 2020 concerning the development of an Intelligent Transport System as a Sustainable Long-Term Strategy to Urban Mass Transport Management for Baguio City by Easing Traffic Congestion, Improving Traffic Management for Baguio City, Minimizing Environmental Impact and Increasing Benefits of Transportation to the Public in General. The Company owns 100% of MRTSI.

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

Change of Principal Place of Business

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

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

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

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

As at December 31, 2021, the amendment has not yet been approved by the Securities and Exchange Commission.

Corporate Name Change

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

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

***Equity Infusion*.** On March 19, 2007, the Parent 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 Parent Company at ₱1.00 par value, subject to approval by the SEC.

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

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

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

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

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

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

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

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

In view of the PDRCI decision, the BOD approved to cancel the implementation of the transfer by FEMI of its 30.0% equity in CJHDEVCO in exchange for equity shares in the Parent 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 Parent 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 Parent 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 Parent Company's liabilities to FEMI amounting to ₱200.15 million, into equity shares equivalent to 200,150,000 shares at ₱1.00 par value.

Infusion of Certain Properties. On April 12, 2012, the Parent Company accepted the infusion by FEMI of certain properties of Mt. Zion Memorial, Inc. (MZMI) worth ₱500.0 million in shares of the Parent 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, by 2012, MZMI had 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 direction of the Parent Company to focus on its core business of infrastructure development, the BOD approved to cancel the implementation of the proposed plan of FEMI to assign properties of Mt. Zion Memorial Inc. (MZMI), worth P500 million, in exchange for 500,000,000 shares of the Company at ₱1.00 per share.

***Cooperation Agreement*.** On November 12, 2010, the Parent 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 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. 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. The completion and consummation of the transaction contemplated by the parties is subject to certain conditions, which as at December 31, 2021 has not yet occurred.

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

The cost of the Parent Company's 18,029,417 redeemable preferred shares amounts to ₱901,471 based on par value P.05 per share which is the price per share at time of redemption. In accordance with the Articles of Incorporation of Monumento Rail, the holder of the redeemable preferred shares is given the privilege of a right to receive Depot Royalty pro-rata to the percentage of shareholdings of redeemable shares held by each shareholder of record thereof as at August 22, 2006.

As a result of the redemption, the Parent Company recognized a Depot royalty right intangible asset amounting to ₱901,471 which is equivalent to the value of the Parent Company's investment in the redeemable preferred shares of Monumento Rail consisting of 18,029,417 shares. The intangible asset was assigned with a useful life of 33 years commencing from 2014 up to 2047 or the expiration of development rights as provided for in the Redemption and Deed of Assignment.

As at December 31, 2021, 2020 and 2019, the Parent Company recognized its share in lease rental income from the Trinoma Mall, classified as depot royalty income in the financial statements, of ₱7,887,684, ₱9,329,483 and ₱30,296,661, respectively. This represents the 28.47% in the 5% of the lease rental income of Trinoma Mall in those years, which were collected in subsequent years.

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

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

Proposal to Department of Transportation and Communications (DOTC). On December 19, 2014, the Parent Company presented to the Department of Transportation and Communication (DOTC) its proposal for a Fast-Track Rehabilitation of the MRT-3 system as a substantial shareholder of Metro Rail Transit Holdings II, owner of Metro Rail Transit Corporation (MRTC) which in turn owns the MRT-3 System. The proposal, included among others, the total rehabilitation of the MRT-3 rail system and of the existing 73 rail cars, and the acquisition of new rail cars, at no cost to the government. Subsequently, MRTC adopted the proposal and submitted the same to DOTC and the Office of the President.

As at December 31, 2021, the foregoing proposals remain pending with the Office of the President.

***Proposed Increase in Authorized Capital Stock*. The Parent Company plans to increase its authorized capital stock to 5,000,000,000 shares at ₱1.00 per share, from 2,000,000,000 shares at ₱1.00 per share. The initial plan in increase of its authorized Capital stock to 3,000,000,000 shares at ₱1.00 per share, from 2,000,000,000 shares at ₱1.00 per share has been superseded by the approval by the Board of Directors on September 24, 2018.

FEMI agrees to subscribe to 25% of the planned increase in capitalization, or 750,000,000 shares at P1.00 per share. Out of the said subscription, Five Hundred Million Pesos (₱500,000,000.00) corresponding to Five Hundred Million

(500,000,000) common shares at ₱1.00 per share will be fully paid through the conversion into equity of portion of FEMI's advances to the Parent Company.

At the Annual Stockholder's Meeting held on November 22, 2018, the stockholders approved the increase in authorized capital stock from Two Billion Pesos (₱2,000,000,000.00) divided into Two Billion (2,000,000,000) shares with a par value of One Peso (₱1.00) per share to Five Billion Pesos (₱5,000,000,000) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (₱1.00) per share and the corresponding amendments to Article Seventh of the Amended Articles of Incorporation of the Parent Company. The stockholders also approved the subscription of FEMI to Seven Hundred Fifty Million (750,000,000) common shares of the Parent Company at par value of ₱1.00 per share with part of subscription price to the extent of Five Hundred Million Pesos (₱500,000,000.00) to be offset against the Parent Company's advances from FEMI. The subscription for 250,000,000 common shares at ₱1.00 per share or subscription price of ₱250,000,000.00 is intended to be paid fully or partially via assignment to the Parent Company of shares of FEMI in Metro Solar Power Solutions, Inc. (Metro Solar).

As at December 31, 2021, the application for increase in authorized capital stock is still pending with the SEC, awaiting the result of the third-party valuation of the Metro Solar shares.

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

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

The shares that the Parent Company will issue to FEMI in exchange for the Metro Solar shares will come from the proposed ₱3 billion (₱3,000,000,000.00) increase in authorized capital stock of the Parent Company.

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

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

Assignment of Share in Lease Income Termed "Depot Royalties". On November 20, 2018 the Board approved to earmark/allocate to FEMI its Depot Royalties from the rental income derived from Trinoma Mall for a period of fifteen (15) years commencing January 30, 2020 and ending January 30, 2034 to enable the Parent Company to partially repay the Advances to FEMI to the extent of Three Hundred Million Pesos (₱300,000,000.00).

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

Business of Issuer

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

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

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

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

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

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

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

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

The Parent Company incorporated MGHC Royal Holdings Corporation (MGHC Royal) on May 19, 2017. MGHC Royal intends to engaged in the business of investing, purchasing, or otherwise acquiring, and owning, holding, using, selling, assigning, transferring, pledging, exchanging, or otherwise disposing of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities of obligation of any other corporation or corporations associations or associations, domestic or foreign, for whatever lawful purpose or purposes.

On August 25, 2020, the Parent Company incorporated Metro Renewable Transport Solutions, Inc. (MRTSI). MRTSI intends to engaged in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, roads, bridges, railways, ports, highways and other passages and facilities for transportation and communication.

MGHC Royal and MRTSI were not in commercial operation as at December 31, 2021.

Effects of existing or probable regulations on the business

The business of the Parent 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 Parent Company. However, to date, the Parent Company is not aware of any pending legislation that may affect the Company's source of income.

Research and development activities

The Parent Company and its subsidiaries have 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 Parent Company and its subsidiaries do not engage in business operations that are subject to regulations which require compliance with environmental laws.

Employees

The Parent Company has ten (10) employees as of December 31, 2021.

Its subsidiaries, MGHC Royal and MRTSI, are both not yet in commercial operation and have no employees as of December 31, 2021. The management of the two companies is currently being undertaken by the executive officers of the Parent Company.

Risks

The Group'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 group, 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 group encourages the creation of US dollar denominated assets to take advantage of potential gains arising from foreign exchange movements. On balance, the group maintains a margin currency position in its asset and liability management function.

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

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

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

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

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

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

Item 2. **Properties**

As at December 31, 2021, the Parent Company's primary asset continues to be its investment in the MRT companies. The Parent Company is the recorded and beneficial owner of the shares of stock representing its investments in the said corporations.

The Parent Company holds 4,278,744 shares or 18.6% interest in MRTHI and 24,090,000 shares or 12.68% 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 5(a) of the Financial Statements, the Parent Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTHII.

On August 18, 2005, the Parent Company and FEMI entered into a "Letter of Agreement," whereby FEMI agreed to grant and did grant the Parent Company the sole option to assign to FEMI its equity interests in MRTHI and MRTHII as settlement of the outstanding amount of the Parent Company's liabilities to FEMI and any additional advances or interest which FEMI may charge to the Parent Company in relation to the said advances at settlement date. Liabilities to FEMI as at December 31, 2005 amounted to ₱1,741.3 million. Under the "Letter of Agreement", should the Company opt to sell the said investments to third party or parties in the future, FEMI would have the right of first refusal to purchase the said investments at their prevailing market value.

On November 12, 2010, the Fil-Estate Companies entered into a Cooperation Agreement with MPIC relating to the Fil-Estate Companies' rights and interests in the MRT Companies. Under the Cooperation Agreement, the Fil-Estate Companies appointed MPIC as its attorney-in-fact in connection with the exercise of the rights and interests of the Fil-Estate Companies in the MRT Companies. The completion and consummation of the transaction contemplated by the parties was subject to certain consents and conditions, which as at December 31, 2021 had not yet occurred.

The Parent 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 Parent 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, 2021, 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 Parent Company also owns one thousand five hundred seventy-nine (1,579) shares or 15.79% equity ownership in Metro Rail Transit Development Corporation (MRTDC), which it acquired from Fil-Estate Properties, Inc. (FEPI) through a Deed of Assignment entered into with FEPI on December 20, 2018.

On May 19, 2017, the Parent Company incorporated MGHC Royal Holdings Corporation (MGHC Royal). MGHC Royal was organized and established as a domestic corporation to engage in the business of investing, purchasing, or otherwise acquiring, and owning, holding, using, selling, assigning, transferring, pledging, exchanging, or otherwise disposing of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities of obligation of any other corporation or corporations associations or associations, domestic or foreign, for whatever lawful purpose or purposes. The Parent Company owns 99% of MGHC Royal.

On August 25, 2020, the Parent Company incorporated Metro Renewable Transport Solutions, Inc. (MRTSI). MRTSI was organized and established as a domestic corporation to engage in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, roads, bridges, railways, ports, highways and other passages and facilities for transportation and communication.

MRTSI is intended to be the special purpose vehicle company to undertake the new public transport system projects of the Group that offers access to multiple transport options using one interface that includes monorail, trolleybus, electric bus and similar electricity-fed transport. The first of these kind of projects is already the subject of an ongoing Feasibility Study in Baguio City under a Memorandum of Understanding (MOU) with the City of Baguio signed last September 3, 2020 concerning the development of an Intelligent Transport System as a Sustainable Long-Term Strategy to Urban Mass Transport Management for Baguio City by Easing Traffic Congestion, Improving Traffic Management for Baguio City, Minimizing Environmental Impact and Increasing Benefits of Transportation to the Public in General. The Company owns 100% of MRTSI.

As of December 31, 2021, MGHC Royal and MRTSI were not yet in commercial operation.

The Parent Company, and its subsidiaries, MGHC Royal and MRTSI, (the "Group") do not hold property subject of any lease arrangement, nor does the Group 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 Parent Company or its subsidiaries and affiliates are a party to or of which any of their property is the subject of such proceedings. The Parent 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**

Aside from those taken up during the Annual Meeting of Stockholders, no other matters were submitted for voting by the security holders in year 2021.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

(1) Market Information

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

In view of the suspension of trading of the Parent Company's shares, the high and low sales prices of such shares for each quarter of the calendar years 2020, 2021 and 2022 could not be determined.

	2022		2021		2020	
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 Parent Company were last traded on March 20, 2007 at a price of ₱0.26 per share.

(2) Holders

As at 31 December 2021 the number of shareholders of record is 1,906 while common shares outstanding were 2,000,000,000 shares. The Parent Company's top 20 Stockholders as at 31 December 2021 are:

	Name of Stockholders	Number of Shares	% of Ownership
1	Fil-Estate Management, Inc.	1,757,690,197	87.885%
2	PCD Nominee Corporation (Filipino)	100,579,633	5.029%
3	Alakor Securities Corporation	66,778,253	3.339%
4	Bank of Commerce – Trust Services Group	43,211,800	2.161%
5	Bank of Commerce TG-91-07-001-C	6,383,000	0.319%

6	PCD Nominee Corp. (Non-Filipino)	3,663,129	0.183%
7	Fil-Estate Management Inc.	2,059,998	0.103%
8	Bancommerce Investment Corp	2,000,000	0.100%
9	Atty. Gilbert Reyes ITF Various Shareholders	1,903,514	0.095%
10	Noel Cariño	1,506,500	0.075%
11	Jaime Borromeo	1,000,000	0.050%
12	Leroy Tan	675,500	0.034%
13	Belson Securities, Inc. A/C#196-358	664,000	0.033%
14	Roberto N. Del Rosario	628,000	0.031%
15	CFC Corporation	576,000	0.029%
16	The Holders of the Unexchanged San Jose Oil Co., Inc.	556,839	0.028%
17	David Go Securities Corp.	414,200	0.021%
18	Trendline Securities Corp.	382,500	0.019%
19	Alberto Mendoza &/or Jeanie C. Mendoza.	300,000	0.015%
20	Alakor Corporation	200,000	0.010%

(3) Dividends

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

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

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

On January 3, 2019, the Parent Company filed with the Commission, a "Notice of Exempt Transaction" under SRC Rule 10.1, in relation to the subscription by FEMI to Seven Hundred Fifty Million (750,000,000) common shares of the Parent Company at par value of P1.00 per share. Portion of the subscription price to the extent of Five Hundred Million Pesos (₱500,000,000.00) will be offset against the Parent Company's advances from FEMI. The balance of ₱250,000,000 is to be paid fully or partially via assignment to the Parent Company of shares of FEMI in Metro Solar.

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

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

Plan of Operation:

1. MRT Operations

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

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

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

I. Operations for the next twelve months

The Parent Company is expected to receive its 28.47% share of the 5% the lease rental income from Trinoma Mall, (the "Depot Royalty Income") as a result of the redemption of its redeemable preferred shares in Monumento Rail. This revenue will be used to fund its operating expenses and to partially pay its debts to FEMI.

The Parent Company foresees that material funding maybe required within the next twelve (12) months, in anticipation of the finalization and completion of the transactions relating to the acquisition by the Parent Company of the equity interest of FEMI in Metro Solar. Metro Solar's main project is the development of the 65-megawatt solar farm project in Pililia, Rizal, which construction is expected to commence within the year 2022. The Parent Company plans to raise the needed funds to finance this project through private placement and the eventual resumption of trading of its shares at the PSE.

The Parent 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 Parent Company is not engaged in any manufacturing business.

Management Discussions and Analysis of Financial Condition and Results of Operations

<u>Review for the year ended December 31, 2021</u>

Financial position and results as at and for the year ended December 31, 2021

The Group's net income for the year ended December 31, 2021, increased by ₱2,614,322,743, from ₱885,818 as of December 31, 2020 to ₱2,615,181,561 as of December 31, 2021. This was mainly due to the dividend income received by the

Parent Company from Metro Rail Transit Holdings, Inc. II (MRTHII), amounting to ₱2,606,600,692.

<u>Dividend Income</u>
On December 13, 2021, MRTHII declared dividends to its shareholders. The Parent Company has a 12.68% equity ownership in MRTHII and its share in the dividends amounted to ₱2,606,190,497.

<u>Depot Royalty Income</u>
The Depot Royalty Income continues to be the main source of funding of the Group. However, with the continued effect of the Covid 19 pandemic on the operations of the Trinoma Commercial Center, the Group's share in Depot Royalty Income decreased by ₱1.44 million or 15.45%, from ₱9,329,483 as of December 31, 2020 to ₱7,887,684 as of December 31, 2021.

<u>General and Administrative Expenses</u>
The Group's General and Administrative expenses increased by ₱19.2 million or 60.39%, from ₱12,659,211 in December 31, 2020 to ₱31,958,915 in December 31, 2021, largely due to the increase in the Parent Company's salaries and wages. This is mainly because the executive officers seconded by the Parent Company from FEMI, joined the Parent Company only in September and October 2020.

Financial Condition

The Group's financial condition showed remarkable improvement for the year ended December 31, 2021. The Group's Total Assets increased by ₱2,465,263,006 or 163%, from ₱1,515,548,660 as at December 31, 2020 to ₱3,980,811,666 as at December 31, 2021. The Group's Total Liabilities decreased by ₱150,273,764 or 10%, from P1,497,756,145 as at December 31, 2020 to ₱1,347,482,381 as at December 31, 2021; while its Stockholders Equity increased by ₱2,615,536,770 or 14700%, from ₱17,792,515 as at December 31, 2020 to ₱2,633,329,285 as at December 31, 2021.

<u>Total Assets</u>
The ₱2,465,263,006 or 163% increase in the Group's Total Assets, was mainly due to increases in the "Due from Related Parties" and "Financial Assets at Fair Value Through OCI" accounts.

Due from Related Parties increased by ₱891 million or 50,442% from ₱1,766,471 as at December 31, 2020 to ₱892,803,244 as at December 31, 2021, in view of ₱891.5 million dividend receivables from MRTHII.

Financial Assets at Fair Value Through OCI, which consist mainly of the Group's investments in MRTHI and MRTHII, increased by ₱1.57 billion or 105%, from ₱1,494,488,966 as at December 31, 2020 to ₱3,062,291,051 as at December 31, 2021. This is in view of the application of the P1.57 billion dividends against the Parent Company's liability from sale of future share distributions, which was shown as a reduction of investment in MRTHII.

<u>Total Liabilities</u>
The decrease in the Group's Total Liabilities of ₱150,273,764 or 10% was mainly due to decreases in the following liability accounts:

Income Tax Payable decreased by ₱6,310,576 or 100%, from ₱6,310,576 as at December 31, 2020 to ₱-nil- as at December 31, 2021 as the Group did not recognize any taxable income in year 2021.

Due to a Stockholder, which represents the Group's liability to FEMI, decreased by ₱37.8 million or 5%, from ₱744,833,320 as at December 31, 2020 to ₱707,010,807 as at December 31, 2021, due to various cash payments made by the Group to FEMI in year 2021.

Due to Related Parties decreased by ₱111.8 million or 31%, from ₱361,443,754 as of December 31, 2020, to ₱249,610,537 as of December 31, 2021, in view of the offsetting of the Parent Company's liability from MRTHII, against dividend receivables.

Stockholders' Equity

The ₱2.6 billion or 14700% increase in Stockholders' Equity was in view of the ₱2.59 billion increase in the Retained Earnings of the Group (from a negative balance of ₱2,571,012,814 as of December 31, 2020 to a positive balance of ₱44,168,747 as of December 31, 2021) which was mainly due to the increase in net income earned by the Group in year 2021, brought about by the ₱2.6 billion dividend income received from MRTHII.

KEY PERFORMANCE INDICATORS ("KPI")

LIQUIDITY RATIOS

	December 31, 2021	December 31, 2020
Current Ratio	0.025	0.028
Quick Ratio	0.024	0.028

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

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

Current Ratio and Quick Ratio both decreased in December 2021 compared to December 2020 mainly due to the decrease in the current assets of the Group.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2021	December 31, 2020
Debt to Total Assets	0.34	0.99
Equity to Total Assets	0.66	0.01
Debt to Equity	0.51	84.18
Asset to Equity	1.51	85.18

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

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

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

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

Debt to Total Assets ratio decreased in December 2021 as compared to December 2020, in view of the increase in the Total Assets of the Group.

Other leverage ratios decreased due to increases in the Total Assets and Total Liabilities of the Group.

PROFITABILITY RATIOS

	December 31, 2021	December 31, 2020
Return on Equity	1.31	0.045
Return on Assets	0.66	0.001
Earnings per Share	1.32	0.0004

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

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

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

All profitability ratios increased in view of the increase in the net income earned by the Group in December 2021.

Material Changes in the year ended December 31, 2021 Financial Statements

Financial Position
(Increase/decrease of 5% or more versus December 31, 2020 balances)

- 15% decrease in Trade and Other Receivables was mainly due to the decrease in the Parent Company's share in the Depot Royalty Income from Trinoma Mall

- 286% increase in Other Current Assets was mainly due to increase in input VAT

- 50442% increase in Due from Related Parties was mainly due to dividend receivables of the Parent Company from MRTHII

- 105% increase in Financial Assets at Fair Value through OCI, was in view of the application of the dividend income received by the Parent Company against its liability from sale of future share distributions, shown as a reduction of investment in MRTHII

- 128% increase in Investment in Associate was in view of the Parent Company's share in the net equity earnings of MRTDC for the year ended December 31, 2021

- 100% decrease in Income Tax Payable was in view of the Parent Company not recognizing any taxable income for the year ended December 31, 2021

- 5% decrease in Due to a Stockholder was due to various payments made by the Parent Company to FEMI during the year ended December 31, 2021

- 31% decrease in Due to Related Parties was in view of the offsetting of the Parent Company's liability to MRTHII against dividend receivables

- 31% increase in Cumulative Market adjustment was due to the increase in the market value of the Parent Company's quoted equity securities

- 102% increase in Retained Earnings was primarily due to dividend income received by the Parent Company from MRTHII

Results of Operation
(Increase/decrease of 5% or more versus December 31, 2020 balances)

- 15% decrease in Depot Royalty Income was due to the decrease in the share in depot royalty income received by the Parent Company from Trinoma Mall

- 152% increase in General and Administrative Expense was mainly due to increase in salaries and wages of the Parent Company

- 100% increase in Dividend Income was in view of the dividends received by the Parent Company from MRTHII

- 28% increase in Share in Profit (Loss) of Associates was in view of the increase in the Parent Company's share in the net equity earnings of MRTDC for the year ended December 31, 2021

- 223% increase in Other Income was in view of the exclusivity fee received by the Parent Company

Review for the year ended December 31, 2020

Impact of COVID-19 pandemic

On March 15, 2020, the Philippine Government placed the entire Luzon under the Enhanced Community Quarantine (ECQ) due to the increasing corona virus disease (COVID-19) cases in the country. The ECQ mandated the closure of non-essential businesses and strict home quarantine which resulted in the slowdown of the economy. Measures are implemented to protect the health and safety of the employees, support business continuity, and manage financial impact to a minimum.

Financial position and results as at and for the year ended December 31, 2020

The pandemic and the consequent quarantine measures imposed by the government, have greatly affected the operations of the Trinoma Commercial Center, which saw the decrease in its lease rental income for the year 2020, which resulted in the 69.2% or P21.0 million decrease (from P30.3 million as at December 31, 2019 to P9.3million as at December 31, 2020), in the Parent Company's share in the depot royalty income for the year 2020

General and Administrative (G&A) expenses increased by P7.8 million or 158.3%, from P4.9 million in December 31, 2019 to P12.7 million in December 31, 2020, mainly due to the increase in salaries and wages in view of the secondment of various officers from FEMI, starting September 2020.

The Group's net income for the year ended December 31, 2020, decreased by 97% or P33.5 million, from P34.4 million as at December 31, 2019 to P0.9 million as at December 31, 2020, in view of the P21.0 million decrease in depot royalty income and the P7.8 million increase in G&A expenses as previously mentioned.

Financial Condition

The Group's Total Assets decreased by P12.4 million or 0.8%, from P1.53 billion as at December 31, 2019 to P1.52 billion as at December 31, 2020.

Cash increased by P0.9 million or 87.3% from P1.1 million as at December 31, 2019 to P2.0 million as at December 31, 2020, mainly due to increase in cash collections during the year.

Receivables decreased by P19.9 million or 69.2%, from P28.8 million as at December 31, 2019 to P8.9 million as at December 31, 2020, in view of the decrease in the Parent Company's share in lease rental income received from the Trinoma Mall.

The increase in Investment in Associates account amounting to P6 million (from P-nil- as at December 31, 2019 to P6.0 million as at December 31, 2020), was in view of the recognition of the Group's share in the net earnings of MRTDC for the year ended December 31, 2020.

Total Liabilities decreased by 0.9% or P13.9 million, from P1.49 billion as at December 31, 2019 to P1.51 billion as at December 31, 2020.

Increase in Accrued Expenses and Other Payables of 1% or P2.2 million, from P382.9 million as at December 31, 2019 to P385.2 million as at December 31, 2020, was mainly due to accrual of unpaid salaries and wages due in 2020.

Income Tax Payable decreased by P1.3 million or 16.9%, from P7.6 million as at December 31, 2019 to P6.3 million in December 31, 2020, due to decrease in taxable income as a result of the decrease in the Parent Company's share in depot royalty income from Trinoma Mall.

Due to a Stockholder decreased by 3.7% or P28.5 million, from P773.4 million as at December 31, 2019 to P744.8 million as at December 31, 2020, due to cash payments made to FEMI during the year.

Due to Other Related Parties increased by 3.9% or P13.7 million, from P347.7 million as at December 31, 2019 to P361.4 million as at December 31, 2020, due to cash advances received by the Parent Company from MRTDC during the year.

The Stockholders' Equity increased by P1.5 million or 9.2%, from P16.3 million as at December 31, 2019 to P17.8 million as at December 31, 2020, in view of the net operating income earned by the Parent Company for the year 2020.

KEY PERFORMANCE INDICATORS ("KPI")

LIQUIDITY RATIOS

	December 31, 2020	December 31, 2019
Current Ratio	0.028	0.077
Quick Ratio	0.028	0.076

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

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

Current Ratio and Quick Ratio both decreased in December 2020 compared to December 2019 mainly due to decrease in current assets of the Group in particular the decrease in Receivables account.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2020	December 31, 2019
Debt to Total Assets	0.988	0.989
Equity to Total Assets	0.012	0.011
Debt to Equity	76.484	92.789
Asset to Equity	84.179	93.786

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

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

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

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

Debt to Total Assets ratio decreased in December 2020 as compared to December 2019, in view of the decrease in the Total Assets of the Group.

Other leverage ratios decreased due to the decrease in Total Assets and Total Liabilities of the Group.

PROFITABILITY RATIOS

	December 31, 2020	December 31, 2019
Return on Equity	0.045	2.113
Return on Assets	0.001	0.022
Earnings per Share	0.0004	0.0172

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

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

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

All profitability ratios in December 2020 decreased as a result of the decrease in the net income in view of the huge reduction in the Parent Company's share in the Depot Royalty Income for the year ended December 31, 2020.

Material Changes in the year ended December 31, 2020 Financial Statements

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

- 87% increase in Cash due to collection of receivables from NTDCC and cash advances received from FEMI and MRTDC during the year

- 69% decrease in Receivables was mainly due to the decrease in the Parent Company's share in lease rental income from Trinoma Mall.

- 79% increase in Other Current Assets was mainly due to increase in input VAT

- 17% decrease in Income Tax Payable was due to lower taxable income for 2020 as a result of the decrease in the Parent Company's share in depot royalty income

- 70% decrease in Other Current Liabilities was mainly due to the decrease in deferred output VAT payable as a result of the decrease in the Parent Company's share in depot royalty income

- 119% increase in Cumulative Market adjustment was due to the increase in the market value of the Parent Company's quoted equity securities

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

69% decrease in Depot Royalty Income was due to the decrease in the Parent Company's share in depot royalty income from Trinoma Mall.

158% increase in General and Administrative Expense was primarily due to the increase in salaries and wages in relation to the secondment of various officers from FEMI, starting September 2020

- 100% decrease in other income was in view of the decrease in other income account. Due to the assumption by MRTC of the Group consultancy agreement with Arch Advisory Limited and the reversal of the related accruals and expenses, the Parent Company recognized other income of P20 million in year 2019.

<u>Review for the year ended December 31, 2019</u>

Results of Operations

For the year ended December 31, 2019, the group posted a net income of P34.4 million, an increase of 221% or P23.7 million from the net operating income of P10.7 million recorded in December 31, 2018.

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

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

General and administrative (G&A) expenses amounting to P5.0 million as at December 31, 2019, consists mainly of payment of regular operating expenses, such as salaries and wages, taxes and licenses and transportation and travel expenses. The G&A expenses decrease by P9.6 million or 66% from P14.4 million in December 31, 2018 to P5.0 million in December 31, 2019 due to reduction in expenses brought about by the assumption by MRTC of Parent Company's consultancy agreement of the with Arch Advisory.

Financial Condition

The Group's Total Assets decreased by P4.3 million or 0.2%, from P1.54 billion as at December 31, 2018 to P1.53 billion as at December 31, 2019 due to the decrease in the value of Investments in Associates brought about by operating losses incurred by the Parent Company's associates.

Cash increased by P0.4 million or 42% from P0.7 million as at December 31, 2018 to P1.1 million as at December 31, 2019 mainly due to the increase in cash receipts due to advances received from MRTDC.

Receivables increased by P0.7 million or 0.3% from P28 million as at December 31, 2018 to P29 million as at December 31, 2019, mainly due to additional provision for credit losses recognized for the year ended December 31, 2019.

Other current assets decreased by P1.6 million or 96%, from P1.7 million as at December 31, 2018 to P0.07 million as at December 31, 2019, due to the application of the Parent Company's creditable withholding tax accumulated in previous years against its 2019 Income Tax liability.

Investment in Associates decreased by P1.9 million or 2% from P1.9 million as at December 31, 2018 to P-nil-as at December 31, 2019 mainly because the Parent Company's associates suffered net equity losses that wrote off the value of its investment.

The Group's Total Liabilities decreased by 2% or P37.8million, from P1.55 billion as at December 31, 2018 to P1.52 billion as at December 31, 2019, mainly due to payments made by the Parent Company to FEMI.

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

Decrease in Accrued Expenses and Other Payables of 6% or P27.2 million, from P410.1 million as at December 31, 2018 to P382.9 million as at December 31, 2019 was mainly due to the assumption by the MRTC of the Parent Company's consultancy agreement with Arch Advisory Limited.

Income Tax Payable increased by P3.8 million or 98% from P3.8 million as at December 31, 2018 to P7.6 million in December 31, 2019 due to higher Income tax liability for 2019 as a result of the increase in other income account due to the reversal of accruals and expenses resulting from the assumption by MRTC of the Parent Company's consultancy agreement with Arch Advisory Limited.

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

The Group's Stockholders' Equity improved to a positive balance of P16.3 million in 2019 from a negative balance of P17.2 million in 2018, due to the P34.4million net income earned by the Parent Company in year 2019.

KEY PERFORMANCE INDICATORS ("KPI")

LIQUIDITY RATIOS

	December 31, 2019	December 31, 2018
Current Ratio	0.077	0.073
Quick Ratio	0.076	0.069

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

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

Current Ratio and Quick Ratio both increased in December 2019 from December 2018 mainly due to decrease in current liabilities of the Group.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2019	December 31, 2018
Debt to Total Assets	0.989	1.011
Equity to Total Assets	0.011	(0.012)
Debt to Equity	92.789	(90.067)
Asset to Equity	93.786	(89.067)

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

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

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

Debt to Total Assets ratio decreased due to the decrease in the Total Assets of the Group in December 2019.

Other leverage ratios increased due to the increase in net income earned by the Group in 2019.

PROFITABILITY RATIOS

	December 31, 2019	December 31, 2018
Return on Equity	1.860	(0.620)
Return on Assets	0.022	0.007
Earnings per Share	0.017	0.0053

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

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

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

All profitability ratios increased in view of the 223% increase in the net income of the Group's in December 2019.

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

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

- 42% increase in Cash due to collections of receivables from NTDCC and cash advances received from MRTDC

- 36.4% decrease in Due from Related Parties due to collection of receivables from MRTC, in connection with the assumption by MRTC of the consultancy agreement the Parent Company with Arch Advisory

- 96% decrease in Other Current Assets was mainly due the application of creditable withholding tax against income tax payments in year 2019

- 7% decrease in Accrued Expense and Other Payables was largely due to the assumption by MRTC of the Parent Company's consultancy agreement with Arch Advisory Limited

- 98% increase in Income Tax Payable was due to the increase in the Parent Company's net taxable income in 2019

- 64% decrease in Cumulative Market adjustment was the result of the decrease in the market value of the Parent Company's quoted equity securities

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

- 9328% increase in net Other Income due to reversal of year 2018 accruals in relation to the assumption by MRTC of the Parent Company's consultancy agreement with Arch Advisory Limited, which was recognized as other income in 2019.

- 66% decrease in General and Administrative Expense was due to the reduction in the Parent Company's consultancy fees in view of the assumption by MRTC of the consultancy agreement with Arch Advisory Limited.

- 99% increase in Income Tax Expense due to increased taxable income in 2019.

Item 7. **Financial Statements**

Refer to the Audited Financial Statements of the Metro Global Holdings Corporation and its Subsidiaries as of December 31, 2021 and 2020, certified by Mr. Dennis M. Malco, Partner, Isla Lipana & Co.

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

For the year ended December 31, 2021, as recommended by the Audit Committee to the Board of Directors and subsequently approved by the stockholders during the Annual Stockholders Meeting held on December 11, 2020, the accounting firm, Isla Lipana& Co., was engaged as the Parent Company's external auditors.

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

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	67	Filipino	Chairman of the Board	1	1996 - 2022
Ferdinand T. Santos	71	Filipino	President	1	1996 – 2022
Noel M. Cariño	67	Filipino	Director	1	1996 – 2022
Rafael Perez de Tagle, Jr	67	Filipino	Director	1	2000 - 2022
Roberto S. Roco	69	Filipino	Director	1	2004 - 2022
Alice Odchigue-Bondoc	55	Filipino	Director	1	2004 - 2022
Francisco C. Gonzalez	78	Filipino	Director, Independent	1	2010 - 2022
Jaime M. Cacho	65	Filipino	Director	1	2018 - 2022
Rafael M. Alunan	73	Filipino	Director, Independent	1	2019 - 2022
Gilbert Raymund T. Reyes	64	Filipino	Corporate Secretary	1	2003 - 2022

ROBERT JOHN L. SOBREPEÑA, Filipino, age 67, is the Chairman of the Board of MGHC. He is the Chairman of the Board of Fil-Estate Management, Inc., Metro Rail Transit Corporation, MRT Development Corporation, Monumento Rail Transit Corporation, CJH Development Corporation, CJH Hotel Corporation, CJH Suites Corporation, CJH Leisure, Inc., Club Leisure Management Corporation, Metro Countrywide Corporation, Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, MGHC Royalty Holdings Corporation and Philippine Highlands Coffee Farms, Inc.. He is also Vice-Chairman of Southwoods Ecocentrum Corporation. He is likewise the Chairman of Manila Southwoods Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He is also President of The Forest Hills Golf & Country Club, Inc. He graduated with a Bachelor's Degree in Science major in Psychology and Marketing from the De La Salle University in 1978.

ATTY. FERDINAND T. SANTOS, Filipino, age 71, is the President and Chief Risk Officer of MGHC. He is also the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., MRT Development Corporation, Monumento Rail Transit Corporation, MGHC Royal 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 67, is a Director of MGHC. 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 67, is also a Director of MGHC. He is also Chairman of Metro Countrywide Corporation and Vice-Chairman of Metro Solar Power Solutions, Inc.. He is the President of CJH Leisure, Inc. and Club Leisure Management, Inc.. He also serves as Director in Metro Rail Transit Corporation, Monumento Rail Transit Corporation, MRT Development Corporation, Fil-Estate Management, Inc., Camp John Hay 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 is a committee of .

ROBERTO S. ROCO, Filipino, age 69, is a Director of MGHC. 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 55, is Senior Vice President for Good Governance, Compliance Officer, Corporate Information Officer and Assistant Corporate Secretary of MGHC. She is also the Senior Vice President for Corporate & Legal Affairs of the Company's parent company, Fil-Estate Estate Management, Inc. and affiliate company, Fil-Estate Development, Inc. She is the Director for Corporate & Legal Affairs and Assistant Corporate Secretary of Camp John Hay Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. She is also the Chief Legal Officer and Corporate Secretary of Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, MGHC Royalty Holdings Corporation and Metro Countrywide Corporation. She is also the Corporate Secretary of Club Leisure Management Corporation and CJH Leisure, Inc.. She took her Bachelor of Science in Business Management major in Legal Management at Ateneo de Manila University and graduated Honorable Mention and Departmental Awardee of the Department of Legal Management in 1987. She holds a Doctor of Jurisprudence degree from Ateneo de Manila University School of Law and graduated as Second Honor-Silver Medal Awardee in 1992.

FRANCISCO C. GONZALEZ, Filipino, age 78, 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.

JAIME M. CACHO, Filipino, age 65, is a Filipino citizen. Holds a Bachelor of Arts Degree Major in Communication Arts from De La Salle University, Manila in 1978. Mr. Cacho also has a Master in Business Administration (Candidate) from the Ateneo Graduate School of Business, Manila in 1983. At present, Mr. Cacho is President and Chief Operating Officer of Metro Countrywide Corporation and Metro Solar Power Solutions, Inc. He is also a Director of CJH Development Corporation and MRT

Development Corporation. He is also concurrently, Head of Project Development and Management Services for Fil-Estate Management, Inc.. Mr. Cacho has over 39 years of top-level management and construction experience earned throughout his career.

RAFAEL M. ALUNAN III, Filipino, age 73, sits on the Boards of Pepsi Cola Products (Philippines), Inc., (PCPPI); Metro Global Holdings Inc. (MGHC); and APC Group Inc. He chairs the Philippine Council for Foreign Relations and Harvard Kennedy School Alumni Association of the Philippines Inc. He serves as President and Trustee of the Philippine Taekwondo Foundation; and is a Senior Adviser to United Harvest Corporation, Kaltimex Energy Philippines, and United Defense Manufacturing Corp. He is a member of the International Institute for Strategic Studies (IISS), the Maritime League, and the Fraternal Order of Eagles of the Philippines. He is an Eminent Fellow of the Development Academy of the Philippines (DAP); and a Fellow of the Institute of Corporate Directors (ICD) and Institute for Solidarity in Asia (ISA). Mr. Alunan obtained his double degree in Business Administration and History-Political Science from De La Salle University; attended Ateneo de Manila University's MBA-SEP; earned a Master's degree in Public Administration and a certificate in Executive Education from Harvard Kennedy School of Government. He holds the rank of Colonel in the Armed Forces of the Philippines and served as Commanding Officer of various Philippine Army Reserve Divisions; and is a graduate of the Army's Command and General Staff College Operations Course. Mr. Alunan served in the Cabinets of Presidents Corazon C. Aquino and Fidel V. Ramos as Secretary of Tourism and Secretary of the Interior and Local Government, respectively.

GILBERT RAYMUND T. REYES, Filipino, age 64, has been the Corporate Secretary of the Parent 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

Management of the Parent Company is currently being undertaken by the executive officers of Fil-Estate Management, Inc. (FEMI). For this reason, the Parent 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 Parent Company, with respect to an executive officer's employment with the Parent Company and its subsidiaries or from a change-in-control of the Parent Company or a change in the named executive officer's responsibilities following a change-in-control where the amount involved, if any, including all periodic payments or installments, which exceeds ₱2,500,000.00

The Parent Company has no employee who is not an executive officer or who is expected to make a significant contribution to the business. The Parent 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 Parent 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 2021 and 2020 for the benefit of Officers and Directors of the Parent Company, follows:

(1) General

Section 8 of the Parent 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 Parent Company plans to compensate its Chief Executive, Officers and Directors for any and all services rendered in 2019 and prior years. The amount of compensation is to be determined and will be subject to the approval by the BOD.

Summary Compensation Table:

	Name & Position	Year	Salary	Bonus	Other Annual Compensation	Total
A.	The CEO and four (4) most highly compensated executive officers Robert John L. Sobrepeña, Chief Executive Officer Atty. Ferdinand T. Santos, President Rafael R. Perez de Tagle, Jr., Executive Vice President Atty. Alice O. Bondoc, SVP for Good Governance, Compliance Officer Ramon G. Jimenez, Chief Financial Officer	2021	20.6 Million	-	-	20.6 Million
B.	All other officers and directors as group unnamed	2021	1.11 Million	-	-	1.11 Million

	Name & Position	Year	Salary	Bonus	Other Annual Compensation	Total
A.	The CEO and four (4) most highly compensated executive officers Robert John L. Sobrepeña, Chief Executive Officer Atty. Ferdinand T. Santos, President Rafael R. Perez de Tagle, Jr., Executive Vice President Atty. Alice O. Bondoc, SVP for Good Governance, Compliance Officer Ramon G. Jimenez, Chief Financial Officer	2020	4.70 Million	-	-	4.70 Million
B.	All other officers and directors as group unnamed	2020	1.11 Million	-	-	1.11 Million

	Name & Position	Year	Salary	Bonus	Other Annual Compensation	Total
A.	2 Compensated Officers Atty. Alice O. Bondoc, SVP for Good Governance, Compliance Officer Ramon G. Jimenez, Chief Financial Officer	2019	1.09 Million	-	-	1.09 Million
B.	All other officers and directors as group unnamed	2019	0.44 Million	-	-	0.44 Million

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

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

Name	Position	Salary	Bonus	Other Annual Compensation (Per Diem)
Robert John L. Sobrepeña	Chairman of the Board			Php40,000.00
Atty. Ferdinand T. Santos	President			Php35,000.00
Noel M. Cariño	Director			Php30,000.00
Rafael Perez de Tagle	Director			Php40,000.00
Roberto S. Roco	Director			Php40,000.00
Jaime M. Cacho	Director			Php45,000.00
Francisco C. Gonzalez	Director, Independent			Php60,000.00
Rafael Alunan, III	Director, Independent			Php65,000.00
Atty. Alice O. Bondoc	Director, SVP for Good Governance, Compliance Officer, Assistant Corporate Secretary			Php50,000.00
Atty. Gilbert Raymund T. Reyes	Corporate Secretary			Php10,000.00
Group Compensation 2020		Php5.4M		0
Group Compensation 2020		Php5.4M		0
Group Compensation 2019		Php1.09M		0

Standard Arrangements

There are no existing standard arrangements pursuant to which directors of the Parent 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 Parent 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 Parent Company is currently being undertaken by the executive officers of FEMI. For this reason, the Parent 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 Parent Company with respect to an executive officer's employment with the Parent Company and its subsidiaries or from a change-in-control of the Parent 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, which exceeds ₱2,500,000.

Warrants and Options Outstanding: Re-pricing

The Parent Company has not issued any warrants and there are no outstanding warrants or options held by the Parent 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 at December 31, 2021, the Parent Company, Metro Global Holdings Corporation (MGHC), knows of no one who beneficially owns more than 5% of the MGHC's issued common stock except as set forth in the table below.

Titles of Class	Name, address of record owner and relationship to issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	**Fil-Estate Management, Inc.** Mezzanine Floor Renaissance Tower, Meralco Ave. Ortigas, Pasig City	**Robert John L. Sobrepeña - Chairman**	Filipino	1,757,690,197	87.885%
	PCD Nominee Corp. (Filipino) 37th Floor Tower I The Enterprise Center, 6766 Ayala Avenue corner Paseo De Roxas Makati City	**Cesar B. Crisol- President**	Filipino	100,579,633	5.029%

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 Parent Company.

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

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

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

There are no securities placed under Trust or Agreement.

(2) Security Ownership of Management

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

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

(3) Voting Trust Holders of 5% or more

No director, executive officer or nominee of the Parent Company holds more than 5% of the Parent 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 Parent Company. Neither has there been any arrangement with any party, which may have resulted in a change in the control of the Parent Company.

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

D (1) The Parent 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 Parent 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 Parent 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 ultimate parent company of MGHC is Fil-Estate Management, Inc. which owns 87.885% of the total issued, outstanding and subscribed capital stock of MGHC.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

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

PART V – EXHIBITS AND SCHEDULES

1) Reports on SEC Form 17-C

a) We write in response to the request of the Philippine Stock Exchange ("PSE") for clarification on the news article entitled "Metro Global's proposed Baguio mass transport project set at P11.5B" posted on Business World (Online Edition) on February 22, 2021. The article reported in part that:

"To recall, the company signed a Memorandum of Understanding with Baguio City on September 3 last year for the development of an intelligent mass transport system."

We wish to clarify that Metro Global Holdings Corp. (the "Company") executed a Memorandum of Understanding ("MOU") with Baguio City on September 3 last year for the purpose of conducting a feasibility study for the development of an intelligent public transport system that offers access to multiple transport options using one interface that includes monorail, trolleybus, electric bus and similar electricity-fed transport, provided that the MOU is solely for the conduct of feasibility study for the Company to present a proposal to the City. The MOU is preliminary in nature and is not intended to vest preferential right over the project.

This MOU was disclosed to the Philippine Stock Exchange ("PSE") and the Securities & Exchange Commission on 3 September 2020.

After almost 5 months of studies, to update Baguio City on the progress of the study, the Company submitted to Baguio City last week the results of its pre-feasibility studies. In view of the costs and efforts to undertake the full feasibility studies, the submission of the pre-feasibility study was accompanied by a request to Baguio City for exclusivity for the project within the next 9 months until the Company completes the Full Feasibility Study, Environmental/Social Impact Study, Detailed Engineering Design, draft joint venture agreement and eligibility documents

Thus, to this date, the Company has not yet submitted a final proposal for the project based on a full feasibility study nor signed a joint venture for the project.

The Company is working towards completion of the study and shall disclose updates as appropriate.

With reference to the request of the PSE to confirm the news report on the incorporation of the Company's subsidiary, Metro Renewable Transport Solutions, Inc., the approval by the Board of the incorporation of the said company was previously disclosed to the PSE. We confirm the Securities and Exchange Commission approved said incorporation on 23 October last year, we confirm the said fact. The incorporation of the said company was previously disclosed to the PSE.

b) At the regular meeting of the Board of Directors (the "Bard') today, 9 October 2021, the Board:

1. Approved to hold the 2021 Annual Stockholders Meeting on December 14, 2021 at 10am via VIDEO CONFRENCE;
2. Approved to set the record date of stockholders entitled to notice and to vote to 7 November 2021;
3. Approved to close the books of the Company from 7 November to 13 December 2021;
4. Approved the Online Registration from 9 November 2021 at 9:00 A.M. TO 7 December 2021 at 5:00 P.M. for shareholders who wish to participate in the Annual Meeting via remote communication and to exercise their vote in absentia ;
5. Approved the following AGENDA for the Annual Meeting:
    a. Call to Order
    b. Determination and Certification of Quorom
    c. Approval of the Previous Meeting Held on 11 December 2020
    d. Report of the Chairman
    e. Approval of the Audited Financial Statements for the calendar year ended 31 December 2020
    f. Certification and Ratification of Corporate Acts for the years 2020 to 2021
    g. Election of Directors (including Independent Directors)
    h. Election of Internal Auditor
    i. Other matters
    j. Adjournment

c) 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, 14 December 2021, 10:00 A.M. through remote communication, 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 88.14% of common shares of the Company.

2. The Corporate Secretary 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 11 December 2020. The Company received votes in person and by proxy a total of 88.14% of common shares in favor of the approval of the Minutes of the Annual Meeting of Stockholders held on 11 December 2020.
   - 2.2 The stockholders approved the Annual Report and Audited Financial Statements of the Company for the calendar year ended 31 December 2020. The Company received votes in person and by proxy a total of 88.14% of common shares in favor of the approval of the Audited Financial Statements of the Company for the calendar year ended 31 December 2020.
   - 2.3 The stockholders confirmed and ratified all acts, contracts, resolutions and proceedings made and entered into by Management and/or the Board of Directors and the various Committees constituted pursuant to the Code of Corporate Governance for the year 2020 up to the present. The Company received votes in person and by proxy a total of 88.14% of common shares in favor of the approval of the confirmation and ratification of all acts, contracts, resolutions and proceedings made and entered into by Management and/or Board of Directors and various Committees constituted pursuant to the Code of Corporate Governance for the year 2020 up to the present.
   - 2.4 The stockholders approved the appointment of Isla Lipana & Co. as the Company's independent external auditor. The Company received votes in person and by proxy a total of 88.14% of common shares in favor of the approval of the appointment of Isla Lipana & Co. as the Company's independent external auditor for the year 2021 to 2022.

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 Rafael M. Alunan, III – Independent

4. In the Organizational Meeting of the Board of Directors of the Company held on 14 December 2021 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
EVP for Operations & Director for Investor Relations	-	Rafael Perez de Tagle, Jr.
SVP for Project Development	-	Jaime M. Cacho
Senior Vice President-Good Governance Compliance Officer, Corporate Information Officer & Asst. Corporate Secretary	-	Atty. Alice Odchigue-Bondoc
Vice-President – Chief Finance Officer and Alternate Corporate Information Officer	-	Ramon G. Jimenez
Vice-President – Chief Audit Executive	-	Solita S. Alcantara
Vice-President – Business Dev't. & Special Projects	-	Sylvia M. Hondrade
VP for Records Management	-	Socorro G. Roco
VP for Human Resources	-	Khateryn M. Benitez
Corporate Secretary	-	Atty. Gilbert Raymund T. Reyes

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

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

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

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

(3) AUDIT COMMITTEE
Chairman: Francisco C. Gonzalez (Independent Director)
Members: Rafael M. Alunan, III (Independent Director)
Roberto S. Roco
Solita S. Alcantara

(4) NOMINATION COMMITTEE
Chairman: Rafael M. Alunan, III (Independent Director
Members: Rafael Perez de Tagle, Jr.
Jaime M. Cacho

Atty. Alice Odchigue-Bondoc

(5) CORPORATE GOVERNANCE COMMITTEE

Chairman:	Rafael M. Alunan, III (Independent Director)
Members:	Francisco C. Gonzalez (Independent Director)
	Robert John L. Sobrepeña
	Atty. Ferdinand T. Santos
	Rafael Perez de Tagle, Jr.
	Atty. Alice Odchigue-Bondoc

(6) BOARD RISK OVERSIGHT COMMITTEE

Chairman:	Rafael M. Alunan, III (Independent Director)
Members:	Francisco C. Gonzalez (Independent Director)
	Atty. Ferdinand T. Santos
	Atty. Alice Odchigue-Bondoc

(7) RELATED PARTY TRANSACTIONS COMMITTEE

Chairman:	Francisco C. Gonzalez (Independent Director)
Members:	Rafael M. Alunan, III (Independent Director)
	Roberto S. Roco
	Ramon G. Jimenez

2) 2021 Sustainability Report

COVER SHEET

9142

SEC Registration No.

METRO GLOBAL HOLDINGS CORPORATION

(Company's Full Name)

MEZZANINE FLOOR, RENAISSANCE TOWERS, MERALCO AVE., PASIG

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

ALICE ODCHIGUE-BONDOC

Contact Person

86336205 loc. 113

Company Telephone Number

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17 OF THE SRC *Amendment to Disclosure dated 23 February 2021*

FORM TYPE

12 31

Month Day

fiscal year

1st Thursday of March

Month Day

Annual Meeting

Listed

Secondary License Type, If Appplicable

MSRD

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

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. **23 February 2021**
   Date of Report (Date of earliest event reported)

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

4. **Metro Global Holdings Corporation**
   Exact name of issuer as specified in its charter

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

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

7. **Mezzanine Floor, Renaissance Tower, Meralco Ave., Pasig City** **1604**
   Address of principal office — Postal Code

8. **(632) 86336205**
   Issuer's telephone number, including area code

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

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

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

11. Indicate the item numbers reported herein: Item 9

We write in response to the request of the Philippine Stock Exchange ("PSE") for clarification on the news article entitled "Metro Global's proposed Baguio mass transport project set at P11.5B" posted on BusinessWorld (Online Edition) on February 22, 2021. The article reported in part that:

"To recall, the company signed a Memorandum of Understanding with Baguio City on September 3 last year for the development of an intelligent mass transport system."

We wish to clarify that Metro Global Holdings Corp. (the "Company") executed a Memorandum of Understanding ("MOU") with Baguio City on September 3 last year **for the purpose of conducting a feasibility study** for the development of an intelligent public transport system that offers access to multiple transport options using one interface that includes monorail, trolleybus, electric bus and similar electricity-fed transport, provided that the **MOU is solely for the conduct of feasibility study for the Company to present a proposal to the City.** The MOU is preliminary in nature and is not intended to vest preferential right over the project.

This MOU was disclosed to the PSE and the Securities & Exchange Commission on 3 September 2020.

After almost 5 months of studies, to update Baguio City on the progress of the study, the Company submitted to Baguio City last week the results of its pre-feasibility studies. In view of the costs and efforts to undertake the full feasibility studies, the submission of the pre-feasibility study was accompanied by a request to Baguio City for exclusivity for the project within the next 9 months until the Company completes the Full Feasibility Study, Environmental/Social Impact Study, Detailed Engineering Design, draft joint venture agreement and eligibility documents

Thus, to this date, the Company has not yet submitted a final proposal for the project based on a full feasibility study nor signed a joint venture for the project.

The Company is working towards completion of the study and shall disclose updates as appropriate.

With reference to the request of the PSE to confirm the news report on the incorporation of the Company's subsidiary, Metro Renewable Transport Solutions, Inc. on 23 October last year, we confirm the said fact. The incorporation of the said company was previously disclosed to the PSE.

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: 23 February 2021

By:

RAMON G. JIMENEZ
Alternate Corporate Information Officer

COVER SHEET

9142

SEC Registration No.

METRO GLOBAL HOLDINGS CORPORATION

(Company's Full Name)

MEZZANINE FLOOR, RENAISSANCE TOWERS, MERALCO AVE., PASIG

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

ALICE ODCHIGUE-BONDOC

Contact Person

86336205 loc. 113

Company Telephone Number

Month	Day
12	31

fiscal year

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

FORM TYPE

1st Thursday of March

Month Day

Annual Meeting

Listed

Secondary License Type, If Appplicable

MSRD

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. **8 October 2021**
   Date of Report (Date of earliest event reported)

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

4. **Metro Global Holdings Corporation**
   Exact name of issuer as specified in its charter

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

6. (SEC Use Only)
   Industry Classification Code:

7. **Mezzanine Floor Renaissance Tower, Meralco Ave., Pasig City** **1604**
   Address of principal office / Postal Code

8. **(632) 86336205**
   Issuer's telephone number, including area code

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

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

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

11. Indicate the item numbers reported herein: Item 9

At the regular meeting of the Board of Directors (the "Board") today, 8 October 2021, the Board:

1. Approved to hold the 2021 Annual Stockholders Meeting on December 14, 2021 at 10am via VIDEO CONFERENCE;
2. Approved to set the record date of stockholders entitled to notice and to vote to 7 November 2021;
3. Approved to close the books of the Company from 7 November to 13 December 2021;
4. Approved the Online Registration from 9 November 2021 at 9:00 A.M. to 7 December 2021 at 5:00 P.M. for shareholders who wish to participate in the Annual Meeting via remote communication and to exercise their vote in absentia;
5. Approved the following AGENDA for the Annual Meeting:
   a. Call to Order
   b. Determination and Certification of Quorum
   c. Approval of the Previous Meeting Held on 11 December 2020
   d. Report of the Chairman
   e. Approval of the Audited Financial Statements for the calendar year ended 31 December 2020
   f. Certification and Ratification of Corporate Acts for the years 2020 to 2021
   g. Election of Directors (including Independent Directors)
   h. Election of External Auditor
   i. Other matters
   j. Adjournment

SIGNATURE

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

METRO GLOBAL HOLDINGS CORPORATION
Issuer

Date: 8 October 2021

By:

RAMON G. JIMENEZ
Vice-President & CFO

METRO GLOBAL HOLDINGS CORP.

14 December 2021

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, 14 December 2021, 10:00 A.M. through remote communication, 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 88.14% of common shares of the Company.

2. The Corporate Secretary 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 11 December 2020. The Company received votes in person and by proxy a total of 88.14% of common shares in favor of the approval of the Minutes of the Annual Meeting of Stockholders held on 11 December 2020.
   - 2.2 The stockholders approved the Annual Report and Audited Financial Statements of the Company for the calendar year ended 31 December 2020. The Company received votes in person and by proxy a total of 88.14% of common shares in favor of the approval of the Audited Financial Statements of the Company for the calendar year ended 31 December 2020.

2.3 The stockholders confirmed and ratified all acts, contracts, resolutions and proceedings made and entered into by Management and/or the Board of Directors and the various Committees constituted pursuant to the Code of Corporate Governance for the year 2020 up to the present. The Company received votes in person and by proxy a total of 88.14% of common shares in favor of the approval of the confirmation and ratification of all acts, contracts, resolutions and proceedings made and entered into by Management and/or Board of Directors and various Committees constituted pursuant to the Code of Corporate Governance for the year 2020 up to the present.

2.4 The stockholders approved the appointment of Isla Lipana & Co. as the Company's independent external auditor. The Company received votes in person and by proxy a total of 88.14% of common shares in favor of the approval of the appointment of Isla Lipana & Co. as the Company's independent external auditor for the year 2021 to 2022.

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 Rafael M. Alunan, III – Independent

4. In the Organizational Meeting of the Board of Directors of the Company held on 14 December 2021 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
EVP for Operations & Director for Investor Relations	-	Rafael Perez de Tagle, Jr.
SVP for Project Development	-	Jaime M. Cacho
Senior Vice President-Good Governance Compliance Officer, Corporate Information Officer & Asst. Corporate Secretary	-	Atty. Alice Odchigue-Bondoc
Vice-President – Chief Finance Officer and Alternate Corporate	-	Ramon G. Jimenez

Information Officer		
Vice-President – Chief Audit Executive	-	Solita S. Alcantara
Vice-President – Business Dev't. & Special Projects	-	Sylvia M. Hondrade
VP for Records Management	-	Socorro G. Roco
VP for Human Resources	-	Khateryn M. Benitez
Corporate Secretary	-	Atty. Gilbert Raymund T. Reyes

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

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

(1) <u>EXECUTIVE COMMITTEE</u>
Chairman: Robert John L. Sobrepeña
Members: Noel M. Cariño
Atty. Ferdinand T. Santos
Francisco C. Gonzalez (Independent Director)

(2) <u>SALARY COMPENSATION COMMITTEE</u>
Chairman: Robert John L. Sobrepeña
Members: Atty. Ferdinand T. Santos
Francisco C. Gonzalez (Independent Director)

(3) <u>AUDIT COMMITTEE</u>
Chairman: Francisco C. Gonzalez (Independent Director)
Members: Rafael M. Alunan, III (Independent Director)
Roberto S. Roco
Solita S. Alcantara

(4) <u>NOMINATION COMMITTEE</u>
Chairman: Rafael M. Alunan, III (Independent Director
Members: Rafael Perez de Tagle, Jr.
Jaime M. Cacho
Atty. Alice Odchigue-Bondoc

(5) <u>CORPORATE GOVERNANCE COMMITTEE</u>
Chairman: Rafael M. Alunan, III (Independent Director)
Members: Francisco C. Gonzalez (Independent Director)
Robert John L. Sobrepeña
Atty. Ferdinand T. Santos
Rafael Perez de Tagle, Jr.
Atty. Alice Odchigue-Bondoc

(6) BOARD RISK OVERSIGHT COMMITTEE

Chairman:	Rafael M. Alunan, III (Independent Director)
Members:	Francisco C. Gonzalez (Independent Director)
	Atty. Ferdinand T. Santos
	Atty. Alice Odchigue-Bondoc

(7) RELATED PARTY TRANSACTIONS COMMITTEE

Chairman:	Francisco C. Gonzalez (Independent Director)
Members:	Rafael M. Alunan, III (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
Senior Vice President-Good Governance
Compliance Officer, Corporate
Information Officer & Asst. Corporate
Secretary

METRO GLOBAL HOLDINGS CORP.

2021 SUSTAINABILITY REPORT

Contextual Information

COMPANY DETAILS	
Name of Organization:	METRO GLOBAL HOLDINGS CORPORATION (“MGHC”)
Location of Headquarters :	Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila
Location of Operations :	Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Metro Global Holdings Corporation is a holding company. The Company has investments in Metro Rail Transit Holdings I and Metro Rail Transit Holdings II – parent company of Metro Rail Transit Corporation (MRTC), thus, resulting in an indirect 29% equity interest in MRTC. The Company has 28.47% direct equity interest in Monumento Rail Transit Corporation and 15.79% direct equity in MRT Development Corporation. Metro Global Holdings Corporation has subsidiaries: 1. MGHC Royal Holdings Corporation (MGHC Royal) (99%) incorporated on May 19, 2017, engage in the business to invest or purchase, otherwise acquire, and own, hold, use, sell, assign, transfer, pledge, exchange, or otherwise dispose of real and personal property of every kind and description. 2. Metro Renewable Transport Solutions, Inc. (Metro Transport) (100%) incorporated on August 25, 2020, engage in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, needs, bridges, railways, ports, highways and other passages and facilities for transportation and communication.

Business Model, including Primary Activities, Brands, Products, and Services	The business activities of Metro Global Holdings Corporation (the Parent Company) arise from its investments in the equity of the MRTH I and MRTH II. Hence, the Parent Company has no principal products or services, nor does it derive revenues or sales from any products or services. No part of the Parent Company's revenues or income over the last three years has been derived from any foreign sales. Corollary, the Parent Company has no requirement for any distribution methods that would otherwise be needed for any products or services. Since the Parent Company's inception, it has had nor publicly-announced new product or services.
Reporting Period	For the Year Ending December 31, 2021
Highest Ranking Person responsible for this report	Mr. Robert John L. Sobrepeña, Chief Executive Officer Ramon G. Jimenez, Chief Finance Officer

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

The Company used Selected GRI Sustainability Reporting Standards (Core Option) in accordance with the GRI 102: General Disclosures, to report on contextual information about itself and its impacts on the economy, the environment and society.

The Company's economic and environmental sustainability principles are exercised through its affiliate, Metro Rail Transit Corporation (MRTC). MRTC is the owner of the Metro Rail Transit (MRT) 3 System along the 16.9 kilometer stretch of Epifanio de los Santos Avenue (EDSA). The MRT 3 System is leased to the Department of Transportation and Communication, which operates and maintains the system for 25 years commencing 2000. The wholly electrically-powered Metro Rail Transit Line 3 (MRT-3) currently accommodates 248,000 to 260,000 passengers a day which may increase to 300,000 to 400,000 per day, depending on the Covid-19 pandemic situation.

The Company has a 28.47% equity interest in Monumento Rail Transit Corporation which, allows participation in the MRT 3 (Phase 2) system extension, the airport link from the Taft Avenue Station up to the airport and the envisioned rail extension from Ayala Station to Buendia Station via a loop through Ayala Avenue and Gil-Puyat Avenue (the Makati loop)

The Company acquired 15.79% equity interest in MRT Development Corporation (MRTDC) on December 2018. MRTDC has exclusive rights to all commercial developments along the MRT-3 System, including in the 13 Stations and air space above the 13 Stations, which include all commercial leasing rights in the 13 Stations, advertising rights, development of the air space above all the 13 stations, and all other commercial activities within the entire MRT-3 System.

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

The Parent Company incorporated MGHC Royal Holdings Corporation (MGHC Royal) on May 19, 2017. MGHC Royal intends to engaged in the business of investing, purchasing, or otherwise acquiring, and owning, holding, using, selling, assigning, transferring, pledging, exchanging, or otherwise disposing of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities of obligation of any other corporation or corporations associations or associations, domestic or foreign, for whatever lawful purpose or purposes.

On August 25, 2020, the Parent Company incorporated Metro Renewable Transport Solutions, Inc. (MRTSI). MRTSI intends to engaged in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, roads, bridges, railways, ports, highways and other passages and facilities for transportation and communication.

MGHC Royal and MRTSI were not in commercial operation as at December 31, 2021.

MATERIALITY

The key findings of the materiality analysis are as follows:

The Company and its subsidiaries do not engage in business operations that are subject to regulations which require compliance with environmental laws.

The Company has ten (10) employees as of December 31, 2021.

Its subsidiaries, MGHC Royal and Metro Rail Transport Inc. are both not yet in commercial operation and have no employees as of December 31, 2021. The management of the two companies is currently being undertaken by the executive officers of MGHC, the Parent Company.

The Company does not have plans for any product research and development within the next 12 months. There are no expected purchases or sale of plant and significant equipment within the same period as the Company is not engaged in any manufacturing business.

The trading of the Company's shares of stock at the PSE has been voluntarily suspended since March 20, 2007 to allow the Company to re-align its business and explore new strategic directions.

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

The Parent Company is expected to receive its 28.47% share of the 5% the lease rental income from Trinoma Mall,(the "Depot Royalty Income") as a result of the redemption of its redeemable preferred shares in Monumento Rail. This revenue will be used to fund its operating expenses and to partially pay its debts to FEMI.

The Parent Company foresees that material funding may be required within the next twelve (12) months, in anticipation of the finalization and completion of the transactions relating to the acquisition by the Parent Company of the equity interest of FEMI in Metro Solar. Metro Solar's main project is the development of the 65-megawatt solar farm project in Pililia, Rizal, the construction of which is expected to commence within the year 2022. The Parent Company plans to raise the needed funds to finance this project through private placement and the eventual resumption of trading of its shares at the PSE.

The revised strategy will deliver the reference values for sustainability related action beyond 2021.

MATERIALITY COMPLETENESS

The report takes into account all significant impacts of MGHC along its value chain. The reporting processes ensure that the data collected includes the results from all entities with significant impacts regarding material topics.

STAKEHOLDERS INCLUSIVENESS is ensured by considering feedback from stakeholder engagement.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

In 2021, no part of the Company's Revenue or Income over the last three years was derived from foreign sales. With the continued effect of the Covid 19 pandemic on the operations of the Trinoma Commercial Center, the Group's share in Depot Royalty Income decreased by P1.44 Million or 15.45% from P9,329,483 as of December 31, 2020 to P7,887,684 as of December 31, 2021.
The Group's General and Administrative expenses increased by ₱19.2 million or 60.39%, from ₱12,659,211 in December 31, 2020 to ₱31,958,915 in December 31, 2021, largely due to the increase in the Parent Company's salaries and wages. This is mainly because the executive officers seconded by the Parent Company from FEMI, were paid in full in year 2021 compared to year 2020 when they were paid only from the time they started working for the Parent Company, in September and October 2020. The General and Administrative Expenses was distributed among the following: Employee wages and benefits, payment to suppliers, other operating costs, taxes given to government.

Disclosure	Units	Amount (2021)
Direct economic value generated (revenue)	PhP	7,887,684
Direct economic value distributed:		
a. General and Administrative Expenses	PhP	3,172,202
b. Employee wages and benefits	PhP	27,422,592
c. Payments to suppliers, other operating costs	PhP	12,161
d. Dividends given to stockholders and interest payments to loan providers	PhP	
e. Taxes given to government	PhP	1,351,960
f. Investments to community (e.g. donations, CSR)	PhP	

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain. ndicate involvement in the impact (i.e., caused by the organization or linked to impacts though its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable group)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

The Parent Company is expected to receive its 28.47% share of the5% the lease rental income from Trinoma Mall,(the "Depot Royalty Income") as a result of the redemption of its redeemable preferred shares in Monumento Rail. This revenue will be used to fund its operating expenses and to partially pay its debts to FEMI.	*Stockholder- Fil-Estate Management, Inc. (FEM), the parent company of MGHC*	The company's external source of financing comes from advances made by FEMI, the parent company of MGHC.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
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.	Parent Company	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 Group's financial instruments are cash flow/liquidity risks, credit risks and equity price risks. 1. **Cash Flow Risk/ 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.	Shareholders Banks	The group continuously conducts an internal review of its financial risks management objectives and policies. 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 group over the next five years.

2. **Credit Risk.** 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's significant concentration of credit risk is on its transactions with NTDCC, its sole customer. 3. **Equity Price Risk.** The Company is exposed to fair value changes on its Available-For-Sale (AFS) investments in listed equity securities.	Customer - NTDCC *Lepanto/Alakor*	These cash in banks are deposited with a reputable bank that belonged to the top three banks in the Philippines and approved by management Depot royalties are collected in accordance with the agreement and the Group's credit policy with no reported defaults and write-offs in previous years. In addition, credit risk is minimized by monitoring receivables regularly. The Company's policy is to maintain risk at an acceptable level. The Company's shares are not traded at the PSE at the moment. Once the voluntary suspension of the trading of the Company's shares is lifted, movement in share price will be monitored regularly to determine the impact on its financial position.
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
New sources of cash flow through potential future investment and or cash infusions into the Company over the next five years. Entry into renewable energy generation and operation shall provide a constant source of cash flows once the Power Purchase Agreement with the offtaker is signed.	Investors and Shareholders	The Company coordinates and negotiates closely with its Parent Company to manage cash flow risks.

Climate-related risks and opportunities

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities	**Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material**	**Disclose how the organization identifies, assesses, and manages climate related risks**	**Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material**
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities	**a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.**	**a) Describe the organization's processes for identifying and assessing climate- related risks**	**Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process.**
In line with the new business directions of the Parent Company to invest in business engaged in solar, wind, and other renewable energy generation facilities, the Parent Company entered into an Agreement with FEMI on November 20, 2018, for the acquisition of FEMI's 100% equity stake in Metro Solar Power Solutions, Inc. (Metro Solar), a power company with an existing 65-megawatt solar farm project in Pililia, Rizal.	The Parent Company foresees that material funding maybe required within the next twelve (12) months in anticipation of the finalization and completion of the transactions relating to the acquisition by the Parent Company of the equity interest of FEMI in Metro Solar. The construction of 65-megawatt solar farm project in Pililia, Rizal, is expected to commence within the year 2022. The Parent Company plans to raise	The company uses project feasibility studies, cashflow projections, sensibility studies and other process in identifying and assessing climate-related risks.	Key Performance Indicators used are liquidity ratios, leverage or long-range solvency and profitability ratios.

As at December 31, 2021, the Agreement has not yet been implemented pending valuation of the Metro Solar shares which will be determined by an independent appraiser. MGHC plans to increase its authorized capital stock from 2million shares at P100 per share to 5 million shares at P100 per share.	the needed funds to finance this project through private placement and the eventual resumption of trading of its shares at the PSE. As at December 31, 2021, the application for increase in authorized capital stock is still pending with the SEC, awaiting the result of the third-party valuation of the Metro Solar shares.		
b*) Describe management's role in assessing and managing climate- related risks and opportunities*	**b) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy and financial planning**	**b) Describe the organization's processes for managing climate-related risks**	**b) Describe the targets used by the organization to manage climate- related risks and opportunities and performance against targets**
Board has a strategy execution process (i.e., Annual Planning) that facilitates effective management performance and is attuned to the company's business environment, and culture.	With the intended increase in the Company's Authorized Capital Stock from P2 Billion to P5Billion and with additional subscription by FEMI to P750 million, the Company's Stockholder's Equity Balance is expected to result in a positive net equity balance.	The Vision and Mission are reviewed by the Board regularly to ensure that corporate business directors, strategies, and objectives are consistent and coherent with the Mission and Vision of the Company.	The comparative financial Key Performance Indicators (KPIs) and non-financial KPIs are reviewed regularly.

	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2*C or lower scenario	**b) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management**	
	The Board of Directors oversee the development of, formulate and approve the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance in order to sustain the company's long-term viability and strength.	The Board of Directors review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures.	

15 Adapted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non- financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

16 For this disclosure, impact refers to the impact of the climate-related issues on the company

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	N/A	%
What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts thought its business relationship)*	**Which stakeholders are affected?** *(e.g., employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
There are no expected purchases or sale of plant and significant equipment within the next 12 months as the Company is not engaged in any manufacturing business. Not being engaged in the manufacturing of any product, the Company does not require any raw materials, energy or other items from suppliers for conducting its business.	*Not Applicable*	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.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**

Identify risk/s related to material topic of the organization		
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
The Parent Company, through its holdings in Monumento Rail, will continue to actively pursue its participation in the train system extensions (e.g., Makati Loop and Airport Link) and capacity expansion via procurement of additional trains/vehicles.	Government	As at December 31, 2021, 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.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti- corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g., employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
No incidents of violations of the company policy found and reported.	Employees, Directors	Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Ethics &Conduct. The Company requires continuous management attention at all corporate levels to assure compliance with the spirit and letter of this policy.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not applicable	Not applicable	Not applicable

Incidents of Corruption

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

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	N/A	GJ
Energy consumption (electricity)	N/A	kWh

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

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e.., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The Company does not engage in business operations that are subject to regulations, which require compliance with environmental laws.	Community, Government	The Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
None of the projects will spew any harmful by-products - gas emissions or solid and liquid secretions - into the earth's soil or atmosphere.	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization.*	**Which stakeholders are affected?**	**Management Approach**

MRT-3 trains are operating purely on electrical power, which is NOT directly derived from fossil fuels (e.g. gasoline or diesel engines as busses have) that otherwise carry or have direct and intense emissions.	Public commuters, community	Averting diesel consumption. Approximately 1,450 buses a day do not have to ply EDSA because of the MRT-3 operating under the average normal condition of 300,000 passengers ferried daily . However, due to social distancing restrictions imposed in the MRT trains, because of the Covid-19 pandemic, train capacity was reduced to 30% and at 16 hours operation. Thus, the average number of passengers per day may increase to 300,000 to 400,000 per day, depending on the Covid-19 pandemic situation.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	2,000	Cubic meters
Water recycled and reused	N/A	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

Average day-to-day consumption of employees and executive officers of the Company.	*Employees/Officers*	*To conserve energy. Meeting the needs of the present without compromising the ability of future generations to meet their own needs.*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization.*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

Materials used by the organization

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
	(e.g. employees, community, suppliers, government, vulnerable groups)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or*

Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*		*projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

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

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
Habitats protected or restored	N/A	ha
ICUN Red List species and national conservation lit species with habitats in areas affected by operations	N/A	

What is the impact and where does it occur? What is the Organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

Environmental impact management

Air Emissions

GHG

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

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	Not Applicable	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

Air pollutants

Disclosure	Quantity	Units
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	Not Applicable	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**

Easing Traffic Congestion, Improving Traffic Management for Baguio City, Minimizing Environmental Impact and Increasing Benefits of Transportation to the Public in General	*Community, Government*	Approval of the signing of a Memorandum of Understanding (MOU) with the City of Baguio concerning the Development of an Intelligent Transport System as a Sustainable Long-Term Strategy to Urban Mass Transport Management for Baguio City.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Units	MGHC	MRTC (annual)	MRTDEVCO (annual)	MONUMENTO (annual)
		Quantity			
Total solid waste generated	kg	1	2	61	Nil
Reusable	kg	1	1	1	Nil
Recyclable	kg		1	60	Nil
Composted	kg	N/A	N/A	N/A	N/A
Incinerated	kg	N/A	N/A	N/A	N/A
Residuals/Land filled	kg	N/A	N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected? *(e.g. employees, community, suppliers, government, vulnerable groups)*	Management Approach *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects,*

Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*		*programs, and initiatives do you have to manage the material topic?*
The company produces solid waste like used bond paper, used printer cartridges, used computer hardware, used telephones, etc. in its operations.	*Employees, Suppliers*	Recycle of used bond paper and refill of printer cartridges.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Pest infection of office premises.	Employees	Quarterly Pest Control program of the work place.
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	N/A	kg
Total weight of hazardous waste transported	N/A	kg

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	Maintains well ventilated and nonhazardous workplace through daily inspection and maintenance of facilities and supplies.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Potential into Renewable energy generation.	Community, government	The company will be adding to its original portfolio, projects or objectives in three phases over the next 10 years that involve solar (panels), wind (turbines),

		hydro and waste-to-energy power generation – all quintessentially "Green" initiatives.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	N/A	Cubic meters
Percent of wastewater recycled	N/A	%

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Identify the opportunity/ies related to material topic of the organization		
Not Applicable	Not Applicable	Not Applicable

Environmental compliance

Non-compliance with Environmental Laws and Regulations

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

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The Company does not engage in business operations that are subject to regulations, which require compliance with environmental laws.	*community, government*	*Not Applicable*

What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	Which stakeholders are affected?	Management Approach
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Employee benefits

SOCIAL

Disclosure	Units	MGHC	MRTC	MRTDEVCO	MONUMENTO
		Quantity			
a. Number of female employees	#	5	1	4	0
b. Number of male employees	#	5	0	11	0
Ratio of lowest paid employee against minimum wage	ratio	1:3	1:1.7	1:17	n/a

MGHC

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	none	none
PhilHealth	Y	none	none
Pag-ibig	Y	none	none
Parental leaves	Y	none	none
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth))	Y	none	none
Housing assistance (aside from Pag-ibig)	Y	none	none
Retirement fund (aside from SSS)	Y	none	none
Further education support	Y	none	none
Company stock options	N	none	none
Telecommuting	Y	none	none
Flexible-working Hours	Y	none	none

MRTC

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	none	none
PhilHealth	Y	none	none
Pag-ibig	Y	none	none
Parental leaves	Y	none	none
Vacation leaves	N	100%	100%

Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth))	Y	none	none
Housing assistance (aside from Pag-ibig)	Y	none	none
Retirement fund (aside from SSS)	Y	none	none
Further education support	Y	none	none
Company stock options	N	none	none
Telecommuting	Y	100% (during ECQ/MGCQ only)	100% (during ECQ/MGCQ only)
Flexible-working Hours	Y	100% (during ECQ/MGCQ only)	100% (during ECQ/MGCQ only)
(Others)		none	none

MRTDEVCO

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	none	None
PhilHealth	Y	none	18%
Pag-ibig	Y	25%	None
Parental leaves	Y	None	None
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth))	Y	50%	25%
Housing assistance (aside from Pag-ibig)	Y	none	None
Retirement fund (aside from SSS)	Y	none	None
Further education support	Y	none	None

Company stock options	N	none	None
Telecommuting	Y	50% (during ECQ/MGCQ only)	50% (during ECQ/MGCQ only)
Flexible-working Hours	Y	50% (during ECQ/MGCQ only)	50% (during ECQ/MGCQ only)
(Others)		none	None

MONUMENTO

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	n/a	n/a
PhilHealth	Y	n/a	n/a
Pag-ibig	Y	n/a	n/a
Parental leaves	Y	n/a	n/a
Vacation leaves	N	n/a	n/a
Sick leaves	Y	n/a	n/a
Medical benefits (aside from PhilHealth))	Y	n/a	n/a
Housing assistance (aside from Pag-ibig)	Y	n/a	n/a
Retirement fund (aside from SSS)	Y	n/a	n/a
Further education support	Y	n/a	n/a
Company stock options	N	n/a	n/a
Telecommuting	Y	n/a	n/a
Flexible-working Hours	Y	n/a	n/a
(Others)		n/a	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach

Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The Company has no employee who is not an executive officer who is expected by the Company to make a significant contribution to the Business.	The Company has ten (10) employees in year 2020 while in 2019, the Company only had two (2) employees. Management of the Company is currently being undertaken by the executive officers of the parent company. Starting September 1, 2020, the CEO and President of the Company by virtue of their position, receive compensation from the company.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
The Company's business is not highly dependent on the services or any key personnel.	The Company's By-Laws on compensation provides that "Each director shall receive a reasonable per diem allowance for his attendance at each meeting of the board. As a compensation, the Board shall receive and allocate an amount of not more than five (5%) percent of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and

	apportioned among the directors in such manner as the Board may deem proper.

Employee Training and Development

The Company is committed to having a workplace prepared to meet current and future business objectives by providing its employees, at all levels, with appropriate education and training.

Disclosure	Units	MGHC	MRTC	MRTDEVCO	MONUMENTO
		Quantity			
Total training hours provided to employees			2	26	Nil
a. Female employees	hours	100	2	8	Nil
b. Male employees	hours	100	2	22	Nil
Average training hours provided to employees					
a. Female employees	hours/employee	10	2	2	Nil
b. Male employees	hours/employee	10	2	2	Nil

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The management of MGHC is currently being undertaken by the executive officers and employees of the parent company, FEMI, which officers and employees are seconded by MGHC.	We provide intensive training and management support for our people and offer personal and financial growth though progressive hiring and promotion practices

	All employees are oriented in the philosophy, ethics, values, principles and business priorities of the company, such as induction into their group/department, thru its Management Development Program.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Gap in Knowledge, Skills and Attitude of employees	Attendance to public seminars and workshops are required to Address gap per KSA.
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Officers (Managers up) are also encouraged to attend seminars to update their KSAs.	In-house training is provided and is customized to the job as well as personal needs. All first-time managers shall successfully complete specified supervisory training within a specified period of appointment. - Promotional Program, Management Development Program

Labor

-Management Relations

Metro Global Holdings, Inc.'s sees to it that our relationship with our employees is always healthy and fruitful.

Our Company has code of Business Conduct and Ethics which all employees must understand and follow. Applicable labor laws and regulations where we do business are also being complied with. Moreover, we are responsible for preventing violations of laws and for speaking up if we see possible violations.

Disclosure	**Units**	**MGHC**	**MRTC**	**MRTDEVCO**	**MONUMENTO**
		Quantity			
% of employees covered with Collective Bargaining Agreements	%	nil	nil	nil	n/a
Number of consultations conducted with employees concerning employee-related policies	#	nil	nil	nil	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Management of MGHC is currently being undertaken by the executive officers of the parent company.	The company has no existing employment contract with any executive officer nor is there any existing compensatory plan or arrangement, even on payments to be received from the Company, with respect to an executive officers employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the name executive officers' responsibilities following a change-in-control where the amount involved, if any including all periodic payments or installments, which exceeds P2.5M
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
In case unsure if action is not permitted by law or MGHC policy.	We seek the advice of resource experts/consultants.

What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Diversity and Equal Opportunity

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

Disclosure	**Units**	**MGHC**	**MRTC**	**MRTDEVCO**	**MONUMENTO**
		Quantity			
% of female workers in the workforce	%	nil	Nil	Nil	n/a
% of male workers in the workforce	%	nil	Nil	Nil	n/a
Number of employees from indigenous communities and/or vulnerable sector*	#	nil	nil	nil	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	Not applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not applicable	Not applicable

What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not applicable	Not Applicable

Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety

Disclosure	Units	MGHC	MRTC	MRTDEVCO	MONUMENTO
		Quantity			
Safe Man-Hours	Man-hours				
No. of work-related injuries	0	nil	nil	nil	n/a
No. of work-related fatalities	0	nil	nil	nil	n/a
No. of work-related ill-health	0	nil	nil	nil	n/a
No. of safety drills	1	1	1	1	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The management of MGHC is currently being undertaken by the executive officers and employees of the parent company, FEMI, which officers and employees are seconded by MGHC.	The health of every employee shall be maintained at the highest levels: 1. With existing health plan coverage, 2. With emergency medicine kit complete with emergency medicines, 3. With company nurse to address employees' health needs; assessment and, or referral of employee/s health condition in the workplace.

	4. Employees required to consult a Physician if sick leave is more than two days and a medical certificate/ clearance is required before resumption of work. 5. Pre-employment physical examination of newly hired employees. 6. Annual Physical examinations for all regular employees.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Presence of any symptoms of a suspected viral illness.	Employee advised to go home and immediately consult a Physician.
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Data relating to health, safety and welfare of its employees.	1. Annual vaccination program with Influenza virus is maintained 2. Monthly purchase of first aid supplies. 3. Maintenance of well-ventilated and nonhazardous workplace through daily inspection and maintenance of facilities/supplies. 4. Quarterly Pest Control program of the work place.

Labor Laws and Human Rights

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

Disclosure	Units	MGHC	MRTC	MRTDEVCO	MONUMENTO
		Quantity			
No. of legal actions or employee grievances involving forced or child labor	n.a	none	none	None	none

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

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Supply Chain Management

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

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

MRTC, MRTDC and Monumento have no accreditation policy for its suppliers. The three (3) bid rule is being implemented for company purchases.

Do you consider the following sustainability topics when accrediting suppliers?

On acquisition of supplies for operations like office supplies, computers airconditioners, etc., herewith is the Group's code of ethics and anti-bribery and anti-corruption policy). **Link:** *Company Policies*

Topic	Y/N	If yes, cite reference in the company policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	Y	MGHC strictly prohibits any form of bribery and corruption within the company, as well as in dealing with suppliers, contractors, and potential suppliers and contractors.

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
There are no expected purchases or selling of plant and significant equipment within the next 12 months as the Company is not engaged in any manufacturing business.	The Company discloses its policies and practices—specifically those that address the selection procedures with regards to suppliers and contractors thru its Code of Business Conduct and Ethics.
What are the Risk/s Identified?	**Management Approach**

Identify risk/s related to material topic of the organization	
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
The Parent Company has a 28.47% equity interest in Monumento Rail Transit Corporation (Monumento Rail), which, as a result, allows participation in the train system extension (e.g., the Makati Loop and Airport Link) and additional train/vehicle procurements in the event the Philippine government awards the project to MRTC.	The Company continues, through its holdings in Monumento Rail, to actively pursue its participation in the train system extensions.

Relationship with Community

Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.

Significant Impacts on Local Communities

MGHC's CSR programs are comprised of Green Outreach Programs focused on three major areas, namely: Environmental, Health and Educational prerogatives.

The three are central to 21st century living and are thus in line with MGHC's historical corporate philosophy of staying abreast with the times – inclusive of when it comes to fulfilling its CSR mandate.

Geographically, MGHC has applied these initiatives not just within its immediate communities but beyond and even on a nationwide basis.

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
The MRT system provides a low fare and convenient mode of transport to 350,000 commuters a day. There are elevators provided for the elderly and persons with disabilities	13 stations from North Triangle to Taft Avenue	Public	Yes	Government	The Government, through Department of Transportation is responsible for the collection of fares and for the day-to-day operations of the system.

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting Indigenous Peoples (IPs), indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

What are the Risk/s Identified *Identify risk/s related to material topic of the organization*	Management Approach
The depletion or destruction of natural resources is altogether a non-issue.	MGCH will function sustainably to provide power to our country.

None of the projects will require compensatory or remedial measures to restore natural resources and will spew any harmful by-products – gas emissions or solid and liquid secretions – into the earth's soil or atmosphere (such as would be the case in energy being generated from coal, for example).	
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Future objectives in various parts of the country such as Baguio in Benguet province, the NCR, Pililla in Rizal province and Iloilo in the Visayas will not be depleting the planet's natural resources during the company's operations, thus capturing the very definition of Sustainable Development, or "meeting the needs of the present without compromising the ability of future generations to meet their own needs" In the case of waste-to-energy initiatives in Baguio and in Manila, there will be the additional benefit of a significant reduction in extremely detrimental manmade waste, as large quantities of rubbish is converted to genuinely usable power	MGHC shall purchase 100% shares of common stock of Metro Solar Power Solutions, Inc. (Metro Solar) held by FEMI; Metro Solar is a stock corporation registered with the Securities and Exchange Commission (the "SEC") 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. As of report date, the Parent Company and FEMI are in the process of finalizing details of the proposed sale and purchase of shares transaction contemplated by the parties. The company acquired two new subsidiaries: Metro Power Solutions, Inc. and Metro Renewable Transport Solutions, Inc.. The company will be adding to its original portfolio (real estate development and management, IT and infrastructure, among others), projects or objectives in three phases over the next 10 years that involve solar (panels), wind (turbines), hydro and waste-to-energy power generation – all quintessentially "Green" initiatives.

Customer Management

The Company is a holding company and has no business operations that entail direct interaction with customers.

Business Operations of Affiliates

Monumento Rail
Monumento Rail currently has no project and is not in operation hence it has no direct interaction with customers.

MRTC

The operations and maintenance of MRT3 System is being handled by DOTR hence MRTC has no business operation that entails direct interaction with customers;

MRTDC

MRT Development Corporation's (MRTDC) main line of business is the leasing out of about 160 commercial retail spaces and about 1,200outdoor and 1,000 indoor advertising assets located in all 13 MRT-3 stations and guide way structures along the stretch of EDSA from North Avenue in Quezon City to Taft Avenue in Pasay City, constantly uphold the highest standards in servicing its tenants and advertisers with quality care and assistance under terms and conditions that are fair and satisfactory. Through the hard work and dedication of its management and employees, MRTDC will continue to sustain its quality service delivery to its tenants and advertisers, whose growth and success are also the company's.

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	N/A	No.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach

Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The Company is a holding company and has no direct business operations that entail direct interaction with customers.	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Health and Safety

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

For MRTC and MRTDC, there were no reported or filed cases of any violation relating to Health and Safety Standards. For the operation and maintenance of the MRT-3 train system, DOTR is responsible for any operational related cases.

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	N/A	#
No. of complaints addressed	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Marketing and labeling

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labeling*	N/A	#
No. of complaints addressed	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)*	**Management Approach**

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Customer privacy

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

MRT Development Corporation (MRTDC) strictly adheres to its responsibility towards confidential information provided by its tenants and advertisers. Unless in cases authorized by law, the company is accountable and compelled to protect all information provided by its tenants and advertisers. The company's leasing and advertising operations group, through the guidance of its corporate lawyers, is in-charge of handling tenants and advertisers' data privacy, reviewing guidelines and policies, executing strategies, establishing internal controls to protect these data and ensuring that these data are not compromised. MRTDC's policy on data privacy is in accordance with the Data Privacy Act. The company continues to educate its employees on the significance and confidentiality of tenants and advertisers' information.

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	N/A	#
No. of complaints addressed	N/A	#

No. of customers, users and account holders whose information is used for secondary purposes	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

(i.e., caused by the organization or linked to impacts through its business relationship)	
Since 2007, the Company's securities are not traded due to voluntary suspension to allow the Company to re-align its business and explore new strategic directions.	Shareholders records are maintained by BDO Stock Transfer Agent.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to United Nations SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact

The wholly electrically-powered Metro Rail Transit Line 3 (MRT-3) currently accommodates 248,000 to 260,000 passengers a day, with an average fare collection of PHP2.7 million along its 13-station route from North Triangle to Taft Avenue along EDSA. The average number of passengers per day may increase to 300,000 to 400,000 per day, depending on the Covid-19 pandemic situation.	MGHC's environmental sustainability practices are exercised at the level of MRTC by the operations of MRT-3 System along EDSA on a daily basis all year long since year 2000 (and through the year 2021). Approximately 1,450 buses a day do not have to ply EDSA, as a result. The scenario where vehicular diesel engines emit nitrogen compounds and particulate matter (hydrocarbons and carbon dioxide) as they burn diesel fuel is significantly diminished because 300,000 to 400,000 passengers ride the MRT-3 daily instead of the aforementioned buses *The* four-car trains can accommodate a maximum of 1,576 passengers which is now ready.All stations of MRT have elevators for the use of the public.	While the MRT 3 is electrically powered and is a welcome substitute to the buses operating along EDSA that are run on diesel, there may still be a negative impact, albeit indirectly, on the environment by the mass rail system. This is because electricity in the Philippines is produced largely in coal fired plants which are less costly to operate.	"From three-car train sets it will be four-car train sets. The current three-car train setup of the MRT-3 can accommodate around 1,100 passengers per train. The four-car train setup is the future of MRT-3 which can accommodate a maximum of 1,576 passengers, with plans to combine the old Czech CKD train cars with the newer Chinese Dalian train cars for four-car operations. To date, 48 out of 72 CKD train cars have been overhauled, with the rest expected to be completed in 2022, while nine Dalian trains are "provisionally accepted".The remaining 39 CKD train cars are to undergo further testing. The Company's response to this negative impact is for MRT 3 to try to generate its own power through renewable energy, if feasible, if this is not feasible, the Company can more than offset the negative impact by developing renewable energy sources such as solar and wind farms, hydro electric and waste to energy plants.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

Signatures

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Company Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on ________________ .

By:

Robert John L. Sobrepeña
Chairman of the Board/
Chief Executive Officer

Atty. Ferdinand T. Santos
President/Chief Risk Officer

Ramon G. Jimenez
Treasurer/VP-CFO

Alice O. Bondoc
Assistant Corporate Secretary/
VP-Good Governance & Compliance Officer

SUBSCRIBED AND SWORN to before me this ______ day of MAY 12 2022 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

MANDALUYONG CITY

Doc. No.: 273 ;
Page No.: 56 ;
Book No.: 12 ;
Series of 2022

ATTY. JAMES K. ABUGAN
Notary Public
Appt. No. 0442-21
Until Dec. 31, 2022
IBP No. 175123 01/06/2022 Rizal Chapter
Roll No. 26890 Lifetime
MCLE No. VI-0012875 Until 4/14/2022
TIN No. 116-239-956
PTR No. 4871351 / 01-06-2022
Tel. No. 02-85452321
Mandaluyong City

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

							9	1	4	2

COMPANY NAME

METRO GLOBAL HOLDINGS CORPORATION (FORMERLY FIL-ESTATE CORPORATION)

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

MEZZANINE FLOOR, RENAISSANCE TOWER, MERALCO AVENUE, PASIG CITY

Form Type	Department requiring the report	Secondary License Type, if applicable
AAFS	MRD	Not applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number(s)	Mobile Number
info@metroglobalholdings.com	8633-6205	Not applicable

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
1906	1st Thursday of March	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number(s)	Mobile Number
Ramon Jimenez	monjay@ymail.com	8633-6205	Not applicable

Contact Person's Address
Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

Independent Auditor's Report

To the Board of Directors and Shareholders of
Metro Global Holdings Corporation and Subsidiaries
(Formerly Fil-Estate Corporation)
Mezzanine Floor, Renaissance Tower,
Meralco Avenue, Pasig

Report on the Audits of the Consolidated Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Metro Global Holdings Corporation (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2021 and 2020, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The consolidated financial statements of the Group comprise:

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

Basis for Opinion

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

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

Independence

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

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Our Audit Approach

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

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

Key audit matters

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

Key audit matter identified in our audit relates to measurement of unquoted equity securities of certain companies, particularly whether the cost of investments can be used as an estimate of fair value:

Key Audit Matter	How our audit addressed the Key Audit Matter
Measurement of unquoted equity instruments - cost as an estimate of fair value Refer to Note 5 to the consolidated financial statements. The Parent Company has investments in Metro Rail Transit Holdings I Inc. (MRTHI) and Metro Rail Transit Holdings II Inc. (MRTHII) which are accounted for as financial assets at fair value through other comprehensive income. MRTHI and MRTHII are holding companies owning equity interest in Metro Rail Transit Corporation (MRTC), a company granted by the Philippine Government the right to build, lease, and transfer the rail transit system in Metro Manila. The equity securities of MRTHI and MRTHII are unquoted.	We addressed the matter by performing the following substantive audit procedures to assess whether the cost of the investments in unquoted equity securities of MRTHI and MRTHII can be used as an estimate of fair value: • Obtained and reviewed the results of operations of the investees including MRTC and evaluated if there are indicators where cost might not be representative of fair value, including significant change in the investees' performance and operations, change in expectation that the investee's capacity expansion plans will be achieved, and significant change in the economic environment in which the investees operate.

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group has adopted PFRS 9 Financial Instruments which requires all equity investments to be measured at fair value in the consolidated financial statements. PFRS 9 further provides that, in limited circumstances, cost might be used as a measure of fair value where cost represents the best estimate of fair value. The Group assesses whether the cost is the best estimate of fair value of investments in MRTHI and MRTHII. In making the assessment, the Group checks whether there are events or circumstances that might indicate that cost might not be representative of fair value of the investees, including significant change in the investees' performance and operations, change in expectation that the investee's capacity expansion plans will be achieved, and significant change in the economic environment in which the investees operate. The Group also considers cost as the best measure of fair value where more recent available information is insufficient to determine fair value or where there is a wide range of possible fair value measurements, and cost represents the best estimate of fair value within that range. The assessment involved in the determination of fair value of unquoted equity securities requires management to make highly subjective judgments. As a result, the valuation of these instruments was significant to our audit.	• Reviewed the contracts, cooperation agreements and minutes of BOD meetings during the year and assessed if more recent available information is sufficient to determine fair value. We also obtained confirmation from the management and Group's legal team on the status of existing agreements to the extent relevant in the assessment. • Reviewed and evaluated the forecast and MRTC's capacity expansion plans to assess whether those forecasts or plans could indicate a wide range of possible fair value measurements. This is the case where the outcome of capacity expansion proposals to the Philippine government highly varies, leading to a possible wide range of fair value measurements.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Matter

The consolidated financial statements of the Group as at and for the year ended December 31, 2019 were audited by another auditor whose report dated June 15, 2020, expressed an unmodified opinion on those statements.

We were not engaged to audit, review or apply any procedures to the 2019 consolidated financial statements of the Group and, accordingly, we do not express an opinion or any other form of assurance on the 2019 consolidated financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Dennis M. Malco.

Isla Lipana & Co.

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 6, 2022, Makati City
SEC A.N. (individual) as general auditors 126035-SEC, Category A;
valid to audit 2021 to 2025 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 268-146-184
BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025
BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
May 10, 2022

Statement Required by Rule 68,
Securities Regulation Code (SRC)

Independent Auditor's Report
To the Board of Directors and Shareholders of
Metro Global Holdings Corporation and Subsidiaries
(Formerly Fil-Estate Corporation)

We have audited the consolidated financial statements of Metro Global Holdings Corporation (the "Parent Company") and its subsidiaries (together, the "Group") as at and for the year ended December 31, 2021, on which we have rendered the attached report dated May 10, 2022. The supplementary information shown in the *Reconciliation of Retained Earnings Available for Dividend Declaration, a Map Showing the Relationships among the Group and its Ultimate Parent Company and Schedules A, B, C, D, E, F and G*, as additional components required by Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the consolidated financial statements. In our opinion, the supplementary information have been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.

Dennis M. Malco
Partner
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SEC A.N. (individual) as general auditors 126035-SEC, Category A;
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Makati City
May 10, 2022

Statement Required by Rule 68,
Securities Regulation Code (SRC)

Independent Auditor's Report
To the Board of Directors and Shareholders of
Metro Global Holdings Corporation and Subsidiaries
(Formerly Fil-Estate Corporation)

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Metro Global Holdings Corporation (the "Parent Company") and its subsidiaries (together, the "Group") as at and for the years ended December 31, 2021 and 2020 and have issued our report thereon dated May 10, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The *Supplementary Schedule on Financial Soundness Indicators*, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2021 and 2020 and no material exceptions were noted.

Isla Lipana & Co.

Dennis M. Malco
Partner
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Makati City
May 10, 2022

Isla Lipana & Co.

Statement Required by Rule 68,
Securities Regulation Code (SRC)

Independent Auditor's Report
To the Board of Directors and Shareholders of
Metro Global Holdings Corporation and Subsidiaries
(Formerly Fil-Estate Corporation)

We have audited the consolidated financial statements of Metro Global Holdings Corporation (the "Parent Company") and its subsidiaries as at and for the year ended December 31, 2021, on which we have rendered the attached report dated May 10, 2022.

In compliance with Rule 68 of the SRC and based on the certification received from the Parent Company's corporate secretary and the results of our work performed, the Parent Company has eight hundred seventeen (817) shareholders each owning one hundred (100) or more shares as at December 31, 2021.

Isla Lipana & Co.

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 6, 2022, Makati City
SEC A.N. (individual) as general auditors 126035-SEC, Category A;
valid to audit 2021 to 2025 financial statements
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Makati City
May 10, 2022

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

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

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

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

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

Signed under oath by the following:

Robert John L. Sobrepeña
Chairman of the Board /Chief Executive Officer

Atty. Ferdinand T. Santos
President/Chief Risk Officer

Ramon G. Jimenez
Treasurer/VP-CFO

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me this ______ MAY 12 2022 day of ______ affiant(s) exhibiting to me his/their Social Security System Number, as follows:

NAMES	SSS NO.
Robert John L. Sobrepeña	03-6449007-1
Atty. Ferdinand T. Santos	03-2643588-3
Ramon G. Jimenez	03-6347637-1

ATTY. JAMES K. ABUGAN
Notary Public
Appt. No. 0442-21
Until Dec. 31, 2022
IBP No. 175[illegible] 01/06/2022 Rizal Chapter
Roll No. 26890 Lifetime
MCLE No. VI-0012875 Until 4/14/2022
TIN No. 116-239-956
PTR No. 4871351 / 01-06-2022
Tel. No. 02-85452321
Mandaluyong City

MANDALUYONG CITY

Doc. No.: 271;
Page No.: 56;
Book No.: 32;
Series of 2022

Metro Global Holdings Corporation and Subsidiaries
(formerly Fil-Estate Corporation)

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

	Notes	2021	2020
ASSETS			
Current assets			
Cash	2	1,944,204	1,983,966
Trade and other receivables	3	7,494,090	8,863,009
Other current assets	4	489,752	126,960
Total current assets		9,928,046	10,973,935
Non-current assets			
Due from related parties	3	892,803,244	1,766,471
Financial assets at fair value through OCI	5	3,062,291,051	1,494,488,966
Investment in associates	6	13,667,401	5,987,239
Intangible asset, net	7	710,252	737,569
Deferred tax asset	13	1,411,672	1,594,480
Total non-current assets		3,970,883,620	1,504,574,725
Total assets		3,980,811,666	1,515,548,660
LIABILITIES AND STOCKHOLDER’S EQUITY			
Current liabilities			
Accrued expenses and other current liabilities	8	390,861,037	385,168,495
Income tax payable	13	-	6,310,576
Total current liabilities		390,861,037	391,479,071
Non-current liabilities			
Due to a stockholder	14	707,010,807	744,833,320
Due to other related parties	14	249,610,537	361,443,754
Total non-current liabilities		956,621,344	1,106,277,074
Total liabilities		1,347,482,381	1,497,756,145
Stockholders’ equity			
Share capital	9	1,998,553,181	1,998,553,181
Additional paid-in capital	9	589,120,804	589,120,804
Fair value reserve	5	1,486,553	1,131,344
Retained earnings (deficit)		44,168,747	(2,571,012,814)
Total stockholders’ equity		2,633,329,285	17,792,515
Total liabilities and stockholders’ equity		3,980,811,666	1,515,548,660

(The notes on pages 1 to 36 are integral part of these financial statements)

Metro Global Holdings Corporation and Subsidiaries
(formerly Fil-Estate Corporation)

Consolidated Statements of Total Comprehensive Income
For the years ended December 31, 2021 and 2020
(With comparative figures for the year ended December 31, 2019)
(All amounts in Philippine Peso)

	Notes	2021	2020	2019
Depot royalty income	10	7,887,684	9,329,483	30,296,661
General and administrative expenses	11	(31,958,915)	(12,659,211)	(4,900,826)
(Loss) profit from operations		(24,071,231)	(3,329,728)	25,395,835
Other income				
Dividend income	5	2,606,190,497	-	-
Share in profit (loss) of associates	6	7,680,162	5,987,239	(1,894,800)
Other income (expense), net	12	20,410,195	(92,386)	20,033,527
		2,634,280,854	5,894,853	18,138,727
Income before tax		2,610,209,623	2,565,125	43,534,562
Income tax benefit (expense)	13	4,971,938	(1,679,307)	(9,111,142)
Net income for the year		2,615,181,561	885,818	34,423,420
Other comprehensive income (loss)				
Item that will not be reclassified to profit or loss				
Fair value gain (loss) on financial assets at fair value through OCI	5	355,209	615,037	(927,820)
Total comprehensive income for the year		2,615,536,770	1,500,855	33,495,600
Basic and diluted earnings per share	15	1.3085	0.0004	0.0172

(The notes on pages 1 to 36 are integral part of these financial statements)

Metro Global Holdings Corporation and Subsidiaries
(formerly Fil-Estate Corporation)

Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(With comparative figures for the year ended December 31, 2019)
(All amounts in Philippine Peso)

	Share capital (Note 9)	Additional paid-in capital (Note 9)	Fair value reserve (Note 5)	Retained earnings (deficit)	Total
Balances as at January 1, 2019	1,998,553,181	589,120,804	1,444,127	(2,606,322,052)	(17,203,940)
Profit for the year	-	-	-	34,423,420	34,423,420
Other comprehensive loss for the year	-	-	(927,820)	-	(927,820)
Total comprehensive income for the year	-	-	(927,820)	34,423,420	33,495,600
Balances as at December 31, 2019	1,998,553,181	589,120,804	516,307	(2,571,898,632)	16,291,660
Profit for the year	-	-	-	885,818	885,818
Other comprehensive loss for the year	-	-	615,037	-	615,037
Total comprehensive income for the year	-	-	615,037	885,818	1,500,855
Balances at December 31, 2020	1,998,553,181	589,120,804	1,131,344	(2,571,012,814)	17,792,515
Profit for the year	-	-	-	2,615,181,561	2,615,181,561
Other comprehensive income for the year	-	-	355,209	-	355,209
Total comprehensive income for the year	-	-	355,209	2,615,181,561	2,615,536,770
Balances at December 31, 2021	1,998,553,181	589,120,804	1,486,553	44,168,747	2,633,329,285

(The notes on pages 1 to 36 are integral part of these financial statements)

Metro Global Holdings Corporation and Subsidiaries
(formerly Fil-Estate Corporation)

Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(With comparative figures for the year ended December 31, 2019)
(All amounts in Philippine Peso)

	Notes	2021	2020	2019
Cash flows from operating activities				
Net income before tax		2,610,209,623	2,565,125	43,534,562
Adjustment for:				
Unrealized foreign exchange (gain) loss		(37,677)	16,171	14,754
Amortization expense	7, 11	27,317	27,317	27,317
Assumption of liability	12	-	-	(20,260,083)
Interest income	2,12	(4,069)	(3,893)	(3,232)
Dividend income	5,12	(2,606,190,497)	-	-
Share in net (income) loss of associates	6	(7,680,162)	(5,987,239)	1,894,800
Operating (loss) income before working capital changes		(3,675,465)	(3,382,519)	25,208,118
Decrease (increase) in:				
Trade and other receivables		1,368,919	19,933,819	(799,286)
Other current assets		(445,730)	(522,609)	102,360
Due from related parties		-	-	1,012,756
Increase (decrease) in:				
Accrued expense and other current liabilities		5,692,542	2,218,482	(6,931,660)
Net cash from operations		2,940,266	18,247,173	18,592,288
Interest received	2	4,069	3,893	3,232
Income taxes paid		(1,072,892)	(2,497,073)	(3,827,230)
Net cash from operating activities		1,871,443	15,753,993	14,768,290
Cash flows from financing activities				
Advances from other related parties	14	35,873,631	13,725,328	14,249,802
Settlement of amounts due to a stockholder	14	(37,822,513)	(28,538,085)	(28,691,708)
Net cash used in financing activities		(1,948,882)	(14,812,757)	(14,441,906)
Net (decrease) increase in cash		(77,439)	941,236	326,384
Cash at January 1		1,983,966	1,058,901	747,271
Effect of foreign exchange rate changes in cash		37,677	(16,171)	(14,754)
Cash at December 31		1,944,204	1,983,966	1,058,901

(The notes on pages 1 to 36 are integral part of these financial statements)

Metro Global Holdings Corporation and Subsidiaries
(formerly Fil-Estate Corporation)

Notes to Financial Statement
As at and for the years ended December 31, 2021 and 2020
(With comparative figures for the year ended December 31, 2019)
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - Corporate information

1.1 Business information

Metro Global Holdings Corporation (the "Parent 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. On September 9, 2004, the Philippines Securities and Exchange Commission (SEC) approved the extension of the Group's corporate life for another 50 years or until 2054.

On May 30, 2014, the SEC approved the amendment of the Articles of Incorporation and By-Laws of the Parent Company, changing its name from Fil-Estate Corporation to Metro Global Holdings Corporation. The amendments were intended to identify the group of companies under the "Metro Group" and establish the affiliation of the Parent Company with its affiliate infrastructure companies, which likewise had the word "Metro" in their corporate names.

The trading of Group's shares of stock at the PSE has been voluntarily suspended since March 20, 2007 to allow the Group to re-align its business and explore new strategic directions.

The Parent Company's immediate and ultimate parent company is Fil-Estate Management, Inc. (FEMI), a company organized and existing under the laws of the Philippines. The total shares outstanding are held by the following shareholders as at December 31:

	2021	2020
Fil-estate Management, Inc.	87.89%	87.89%
PCD Nominee Corporation	5.03%	5.03%
Alakor Securities Corporation	3.34%	3.34%
Bank of Commerce Trust Services Group	2.16%	2.16%
Others	1.58%	1.58%
	100.00%	100.00%

The Parent Company's registered office address, which is also its principal place of business, is at Mezzanine Floor, Renaissance Centre, Meralco Avenue, Pasig City. The Group has nine (9) employees in 2021 (2020 - ten (10) employees).

1.2 Expansion of the Group's primary purpose

On November 22, 2018, the stockholders approved the amendment of the Articles of Incorporation to include in the primary purpose investment in business engaged in solar, wind, and other renewable energy generation facilities. The proposed amendment will allow the Parent Company to expand its investment into a business engaged in renewable energy generation facilities, a growth area the Parent Company intends to pursue.

On November 20, 2018, the Board authorized the Parent Company to enter into a Memorandum of Agreement with FEMI whereby the Parent Company shall purchase the 249,995 shares of common stock of Metro Solar Power Solutions Inc. (Metro Solar) held by FEMI. Metro Solar is a stock corporation registered with the SEC primarily to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form for electricity generation and distribution. Such shares issued by Metro Solar to FEMI represent 100% percent of the entire issued and outstanding capital stock of Metro Solar. As per agreement with FEMI, the consideration for Metro Solar shares will be determined based on an appraisal report by a third-party and mutually agreed by FEMI and the Parent Company. The shares that the Parent Company will issue to FEMI in exchange for the Metro Solar shares will come from the proposed 3.0 billion planned increase in authorized capital stock of the Parent Company, as discussed in detail in Note 9.

As of report date, the Parent Company and FEMI are in the process of finalizing the details of the proposed sale and purchase of shares transaction contemplated by the parties.

1.3 Approval of financial statements

The accompanying financial statements of the Group were approved and authorized for issuance by the Parent Company's Board of Directors (BOD) on May 10, 2022.

1.4 Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries, MGHC Royal Holdings Corporation (MGHC Royal) and Metro Renewable Transport Solutions, Inc. (Metro Renewable). The Parent Company and its subsidiaries are collectively referred to here as the "Group".

The Group's subsidiaries as at December 31 are set out below. Unless otherwise stated, these have share capital consisting solely of ordinary shares that are held directly or indirectly by the Parent Company, and the proportion of ownership interests held equals the voting rights held by the Group.

	Ownership interest/ participating share held			Country of	
	2021	2020	2019	incorporation	Main activity
MGHC Royal	99%	99%	99%	Philippines	MGHC Royal was organized and established on May 19, 2017 to engage in the business to invest or purchase, otherwise acquire, and own, hold, use, sell, assign, transfer, pledge, exchange, or otherwise dispose of real and personal property of every kind and description.
Metro Renewable *(Incorporated in 2020)*	100%	100%	-	Philippines	Metro Renewable was organized and established on October 23, 2020 to engage in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, roads, bridges, railways, ports, highways and other passages and facilities for transportation and communication.

1.5 Impact of COVID-19 pandemic

On March 15, 2020, the Philippine Government placed the entire Luzon island under the Enhanced Community Quarantine (ECQ) due to the increasing coronavirus diseases (COVID-19) cases in the country. The ECQ mandated the closure of non-essential businesses and strict home quarantine which resulted in the slowdown of the economy. Measures are implemented to protect the health and safety of the employees, support business continuity, and manage financial impact to a minimum.

Financial position and results as at and for the year ended December 31, 2021

The pandemic has resulted in lower depot royalty income for the Group in 2021 mainly due to the lower rental income from TriNoma commercial center caused by the implemented quarantine restrictions during 2021 (Note 10). The Group expects that the depot royalty income will increase in the next financial year since the Philippine economy is gradually opening with the imposition of less stringent community quarantine protocols. Likewise, the vaccination program of the government is expected to slow down and eventually contain the spread of the virus and boost confidence among businesses and consumers.

Management has assessed that the carrying amount of assets are recoverable as at reporting date. Management will continue to monitor the business developments amidst the pandemic and update the assessments made. Any medium to long-term impact of the pandemic on the Group's financial position, results, and cash flows will vary depending on the duration and severity of the economic and operational impacts of the pandemic, as well as the effectiveness of mass vaccination and other public health efforts to mitigate the impact of the pandemic.

Note 2 - Cash

Cash as at December 31 consists of:

	2021	2020
Cash on hand	36,201	36,201
Cash in banks	1,908,003	1,947,765
	1,944,204	1,983,966

Cash accounts with banks generally earn interest at rates based on daily bank deposit rates. Interest income earned from cash in banks amounted to P4,069 in 2021 (2020 - P3,893) (Note 12).

Note 3 - Trade and other receivables; Due from related parties

Trade and other receivables as at December 31 consist of:

	2021	2020
Trade receivables - third party	7,493,300	8,863,009
Others	790	-
	7,494,090	8,863,009

Trade receivable pertains to the Group's royalty income from depot developments in TriNoma and billed to North Triangle Depot Commercial Corporation (NTDCC) (Note 10). These are short-term, unguaranteed, unsecured, non-interest bearing and collectible in cash with usual credit terms of 60 days.

Due from related parties (non-current asset) as at December 31 consist of:

	Note	2021	2020
Due from related parties	14		
Monumento Rail Transit Corporation (Monumento Rail)		5,314,935	5,314,935
Metro Rail Transit Holdings, Inc. (MRTHI)		117,361	117,361
Metro Rail Transit Holdings II, Inc. (MRTHII)		892,685,883	1,649,110
		898,118,179	7,081,406
Allowance for impairment		(5,314,935)	(5,314,935)
		892,803,244	1,766,471

There is no movement in allowance for impairment of due from related parties for the years ended December 31, 2021 and 2020.

Critical accounting estimates and judgment: Recoverability of trade and other receivables and due from related parties

Provision for impairment of trade and other receivables and due from related parties is calculated using expected credit losses (ECL). ECL are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of trade receivables and incorporated forward-looking information based on certain macroeconomic factors such as gross domestic products and inflation rate. Any change in the Group's assessment of the collectability of receivables could impact the recorded carrying amounts of receivables and related allowance for impairment.

Further, management evaluates specific accounts under other receivables and due from related parties who are unable to meet their financial obligations. In these cases, management uses judgment based on the best available facts and circumstances, including but not limited to, the length of relationship with the debtor and the debtors' payment history. The net carrying amounts of other receivables and due from related parties at the end of the reporting period and the amount and timing of recorded expenses would therefore differ based on actual experience and changes in judgments made.

Note 4 - Other current assets

Other current assets as at December 31 consist of the following:

	2021	2020
Creditable withholding tax	311,446	-
Input VAT	178,306	126,960
	489,752	126,960

Creditable withholding tax is related to the depot royalty income from NTDCC (Note 10).

Note 5 - Financial assets at fair value through OCI

Financial assets at fair value through OCI as at December 31 consist of:

	2021	2020
Unquoted equity securities	3,058,238,916	1,490,792,040
Quoted equity securities	4,052,135	3,696,926
	3,062,291,051	1,494,488,966

5.1 Unquoted equity securities

Unquoted equity securities as at December 31, 2021 consist of investments in MRTHI and MRTHII. The Group's ownership interests in MRTHI and MRTHII as at December 31 are as follows:

Investee	Direct 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 owns 84.9% interest in MRTH II while MRTHII wholly owns Metro Rail Transit Corporation (MRTC), which was awarded by the Philippine Government, acting through the Department of Transportation and Communication (DOTC), the Build, Lease and Transfer (BLT) Agreement to build, lease, and transfer a 16.9-kilometer rail transit system in Metro Manila, known as LRTS Phase I. The earnings of MRTC are derived from lease financing income relating to equity rentals received from the DOTC as defined in the BLT Agreement.

Critical accounting estimate and judgment: Measurement of unquoted equity instruments - cost as an estimate of fair value

As required by PFRS 9, all equity investments in scope of PFRS 9 are to be measured at fair value in the statement of financial position, with value changes recognized either in profit or loss or other comprehensive income. PFRS 9 further provides that cost might be used as a measure of fair value where cost represents the best estimate of fair value. Upon the adoption of PFRS 9, the Group has assessed that the cost of investments in MRTHI and MRTHII amounting to P3,058,238,916 as at December 31, 2021 (2020 - P1,490,792,040) represents the best estimate of fair value of those investments.

The Group assesses whether the cost is the best estimate of fair value of investments in MRTHI and MRTHII. In making the assessment, the Group checks whether there are events or circumstances that might indicate that cost might not be representative of fair value of the investees, including significant change in the investees' performance and operations, as well significant change in the economic environment in which the investees operate. The Group also considers costs as the best measure of fair value where more recent available information is insufficient to determine fair value; or where there is a wide range of possible fair value measurements, and cost represents the best estimate of fair value within that range.

Any change in the Group's assessment of the best estimate of fair value of investments in MRTHI and MRTHII could impact the recorded carrying amount of financial assets at fair value through OCI and related fair value gains or losses recognized in other comprehensive income.

As at December 31, 2021 and 2020, the Group has assessed that the cost of investments in MRTHI and MRTHII represents the best estimate of fair value of those investments. In addition, the Group has assessed that the carrying amount of the investments in MRTHI and MRTHII are recoverable in full and can be realized in the future through the Parent Company's share in the benefits arising from the capacity expansion projects to be undertaken by MRTC. Notwithstanding the sale of future share distributions pursuant to "Sale of future share distributions" discussed in (a) below, the Parent Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTHII. Further, the Group holds a put option to use the shares of stocks of MRTHI and MRTHII to pay-off its net advances from FEMI pursuant to the "Letter of Agreement" as discussed in (b) below.

The Group's unquoted financial assets, pertaining to investments in MRTHI and MRTHII, are under Level 3 fair value category. The cost of the investments represents the best estimate of the fair value of the investments as at reporting date. Therefore, the higher the cost of investments, the higher is the related fair value.

(a) Sale of future share distributions

In 2002, the Parent Company and other participating shareholders of MRTHI and MRTHII (collectively referred to as the 'Sellers', entered into Sale Agreements where they sold all future share distributions arising from the equity rental payments (ERP) of the LRTS Phase I Project of MRTC in exchange for Original Issuance Discount Bonds (OID Bonds).

The transaction is covered by several agreements that provide the link between share distributions arising from the ERP of the LRTS Phase I Project of MRTC and payments to the Noteholders. These agreements: (a) facilitate the timely payment of the Sellers' share of the ERP of the LRTS Phase I Project of MRTC ensuring that the right to receive their share in the ERP has been legally independent of the Sellers to the Noteholders, (b) ensure the flow of rental payments independent of the Sellers, (c) bind the Sellers to cause the timely collection of rental payments and to cause MRTC to perform its obligations, and (d) prevent the Sellers from selling their rights in MRTC for as long as the Notes are outstanding. Accordingly, the stock certificates of the Group in MRTHI and MRTHII 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 Group's share in the ERPs of the LRTS Phase 1 Project of MRTC.

Notwithstanding the sale of future share distributions, the Group continues to hold on to the legal rights over the shares of stock in MRTHI and MRTHII in compliance with the various agreements related to the sale of share of future share distributions mentioned above, as well as the Group's obligation under the Agreement of MRTC with DOTC whereby the original shareholders of MRTHI and MRTHII are precluded from transferring their equity interest in MRTHI and MRTHII until the end of the BLT Agreement in July 2025. Accordingly, any additional variable ERP to be received by MRTHI and MRTHII through MRTC from DOTC in the future and any benefits arising from the residual rights in the expansion projects shall still accrue to the Group and the other shareholders.

(b) Letter of agreement

On August 18, 2005, the Parent Company and FEMI entered into a "Letter of Agreement", whereby FEMI has agreed to grant the Parent Company the sole option to assign to FEMI its equity interests in MRTHI and MRTHII as settlement of the Parent Company's liabilities to FEMI, 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 Parent Company in relation to the said advances. Under the "Letter of Agreement," should the Parent 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.

(c) Dividend income

On December 13, 2021, MRTHII declared dividends to its shareholders, of which P2,606,190,497 pertains to the Group's share. The dividend income was recognized as part of other income in the statement of total comprehensive income for the year ended December 31, 2021. The dividends were discharged/settled as follows:

(1) P147,706,848 was offset and eliminated against the liability to MRTHII, representing outstanding cash advances received from MRTHII, presented under due to other related parties in the statement of financial position (Note 14);

(2) P1,567,446,876 was applied against liability from sale of future share distributions shown as a reduction of investment in MRTHII. Pursuant to the Sale of future share distributions agreement entered by the Parent Company and other participating shareholders of MRTHI and MRTHII as described in (a) above, the Parent Company recognized P1,567,446,876 liability from the sale of the future share distribution from the MRTC project as a reduction of investment in MRTHI and MRTHII. The total carrying amount of investment in MRTHI and MRTHII after the dividend transaction amounted to P3,058,238,916 as at December 31, 2021; and

(3) The remaining amount of P891,036,773 will be settled in cash and presented as dividend receivable under due from related parties (Note 14). The amount is not expected to be collected within 12 months from the end of the reporting period, thus presented as part of non-current asset in statement of financial position.

5.2 Quoted equity securities

Quoted equity securities consist of investments in domestic companies listed in the Philippine Stock Exchange and whose fair values are based on quoted market prices at the reporting date (Level 1 fair value hierarchy).

The movements of the account for the years ended December 31 are as follows:

	2021	2020	2019
Acquisition cost	2,565,582	2,565,582	2,565,582
Cumulative change in fair value			
Beginning of the year	1,131,344	516,307	1,444,127
Change in the fair value during the year	355,209	615,037	(927,820)
End of the year	1,486,553	1,131,344	516,307
	4,052,135	3,696,926	3,081,889

The changes in fair value of quoted equity securities are presented as part of other comprehensive income in the statement of total comprehensive income.

Note 6 - Investment in associates

The Group's investment in associates as at December 31 consists of:

	Country of incorporation	Ownership interest 2021	Ownership interest 2020	Main activity and registered place of business
MRT Development Corporation (MRTDC)	Philippines	15.79%	15.79%	Development of commercial premises in the depot and air space in the light rail transit system, its lease or sublease thereof, and the sale of development rights of stations. Registered address is at 2nd floor, The Renaissance Tower, Meralco Avenue, Pasig City
Monumento Rail Transit Corporation (Monumento Rail)	Philippines	28.47%	28.47%	Build, lease, and maintain a railway transit in Metro Manila, and to perform such other activities as may be necessary and desirable in the pursuit of the above-mentioned activities. As at December 31, 2021 and 2020, the Company has no commercial activity. Registered address is at 6th floor, The Belvedere Tower, San Miguel Avenue, Ortigas Center, Pasig City.

The carrying value of investment in associates as at December 31, 2021 consists of investment in MRTDC amounting to P13,667,401 (2020 - P5,987,239). As at December 31, 2021 and 2020, Monumento Rail has no commercial activity and its investment account is carried at nil.

The movement of investment in associates for the years ended December 31 are as follows:

	2021	2020	2019
At January 1	5,987,239	-	1,894,800
Share in net income of MRTDC	7,680,162	5,987,239	(1,894,800)
At December 31	13,667,401	5,987,239	-

On December 20, 2018, the Parent Company entered into a Deed of Assignment with Fil-Estate Properties, Inc. (FEPI) to acquire the 1,579 shares representing 15.79% equity ownership of FEPI in MRTDC for P1,894,000 consideration. The amount was paid for by FEMI on behalf of the Parent Company and is considered a non-cash investing activity.

MRTDC has exclusive rights to all commercial developments along the MRT-3 System, including in and above the 13 Stations, commercial leasing rights in the 13 Stations, advertising rights, development of the air space above all the 13 stations, and all other commercial activities with the entire MRT-3 System.

There are no significant restrictions on the ability of MRTDC to transfer funds to the Group in the form of cash dividends or repayment of loans or advances.

The summarized financial information of a material associate, MRTDC, as at and for the years ended December 31 are as follows:

Statements of financial position

	2021	2020
Current assets	341,916,611	102,684,650
Non-current assets	14,215,243	190,973,104
Current liabilities	(112,064,376)	(255,739,838)
Non-current liabilities	(154,358,134)	-
Net assets	89,709,344	37,917,916

Statements of total comprehensive income

	2021	2020
Revenue	238,902,775	180,913,742
Net income	48,639,403	44,570,234
Other comprehensive income	-	-
Total comprehensive income	48,639,403	44,570,234
Dividends received from associate	-	-

The information above reflects the amounts presented in the financial statements of MRTDC whose accounting policies are consistent with the Group's accounting policies.

Reconciliation of summarized financial information

Reconciliation of the summarized financial information presented, to the carrying amount of the Group's interest in associates, is as follows:

	2021	2020
Net assets	89,709,344	37,917,916
Group's equity interest	15.79%	15.79%
Group's share of net asset	14,165,105	5,987,239
Other equity adjustment	(497,704)	-
Carrying value, December 31	13,667,401	5,987,239

Critical accounting judgment: Recoverability of investment in associates

The carrying value of the investment in associates is reviewed and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Changes in those management assessment and judgment could have a significant effect on the carrying value of investment in associates and the amount and timing of recorded provision for any period.

Based on management's assessment, there are no events or circumstances which might indicate that the carrying value of investment in associates as at December 31, 2021 and 2020 are not recoverable.

Note 7 - Intangible asset, net

Depot royalty rights

On August 22, 2006, the Board of Directors of Monumento Rail approved the redemption of its redeemable preferred shares through the assignment of its right to receive Depot Royalties to the holders of redeemable preferred shares pro-rata to their shareholdings. On December 17, 2014, Monumento Rail and the Parent Company executed the Redemption and Deeds of Assignment of the latter's redeemable preferred shares, giving the Parent Company a pro-rata interest on the Depot Royalty Rights to the extent of an aggregate of 28.47%, representing the preferred shareholdings held by the Parent Company.

As a result of the redemption, the Parent Company recognized a Depot royalty right intangible asset which represents the Parent Company's right to a 28.47% share in the depot royalties with respect to improvements constructed on the 16-hectare Depot located at North Triangle EDSA and rental income from the commercial center known as TriNoma Mall. As successor-in-interest, the Parent Company is entitled to receive 28.47% of royalties corresponding to 5% of the gross receipts of the rental income (Note 10) from 8.3 hectare commercial center and 5% of the gross proceeds of sale or leases on improvements constructed on the lot pads less management fees and general and administrative expenses (Note 11).

The cost of depot royalty rights upon initial recognition amounted to P901,471 which is equivalent to the value of the Parent Company's investment in the redeemable preferred shares of Monumento Rail consisting of 18,029,417 shares. The intangible asset was assigned with a useful life of 33 years commencing from 2014 up to 2047 or the expiration of development rights as provided for in the Redemption and Deed of Assignment.

The movements of Depot Royalty Rights for the years ended December 31 are as follows:

At January 1, 2019	
Cost	901,471
Accumulated amortization	(109,268)
Net carrying amount	792,203
For the year ended December 31, 2019	
Opening net carrying amount	792,203
Amortization	(27,317)
Closing net carrying amount	764,886
At December 31, 2019	
Cost	901,471
Accumulated amortization	(136,585)
Net carrying amount	764,886
For the year ended December 31, 2020	
Opening net carrying amount	764,886
Amortization	(27,317)
Closing net carrying amount	737,569
At December 31, 2020	
Cost	901,471
Accumulated amortization	(163,902)
Net carrying amount	737,569
For the year ended December 31, 2021	
Opening net carrying amount	737,569
Amortization	(27,317)
Closing net carrying amount	710,252
At December 31, 2021	
Cost	901,471
Accumulated amortization	(191,219)
Net carrying amount	710,252

Note 8 - Accrued expenses and other current liabilities

Accrued expenses and other liabilities as at December 31 consist of the following:

	2021	2020
Advances from MPIC	350,000,000	350,000,000
Accrued expenses	40,038,566	34,712,015
Payable to regulatory agencies	822,471	456,480
	390,861,037	385,168,495

A. Advances from MPIC

The amount pertains to deposit received from Metro Pacific Investment Corporation (MPIC) pursuant to the “Cooperation Agreement”, as described below, entered into by the Parent Company and Fil-Estate Companies with MPIC.

Cooperation agreement

On November 12, 2010, the Parent Company, 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. 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. The completion and consummation of the transaction contemplated by the parties is subject to certain conditions, which as at December 31, 2020 has not yet occurred.

As the Parent Company does not have an unconditional right to defer settlement of the amount for at least 12 months from reporting date, the amount was classified as current liability as at December 31, 2021 and 2020.

B. Accrued expenses

The account consists mainly of accrual for payroll and professional fees, including legal, consulting and audit fees, and other general and administrative expenses. The average credit period on purchases of goods and services from suppliers is 30 to 60 days.

Note 9 - Equity

Share capital

The details of share capital as at December 31, 2021 and 2020 are as follows:

Authorized share capital	2,000,000,000
Subscribed share capital	2,000,000,000
Less: Subscription receivable	(1,446,819)
Issued and subscribed share capital	1,998,553,181
Par value per share	1
Amount of share capital	1,998,553,181

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	299,850,000	1.00
December 11, 2000	1,700,000,000	700,000,000	1.00
December 16, 2013	-	800,000,000	1.00
September 4, 2014	-	200,150,000	1.00
	2,000,000,000	2,000,000,000	

a. On January 22, 1998, the SEC approved the declassification of Class A and B common shares to a single class of common shares, and the change in par value of 300.0 million authorized common shares from P0.01 per share to P1.00 per share. Each share of stock entitles the person in whose name it is registered in the books of the Parent Company to one vote, provided the shares have not been declared delinquent.

b. On December 11, 2000, the SEC approved the increase in authorized capital stock from P300.0 million, divided into 30.0 billion shares with a par value P0.01 per share, to P2.0 billion divided into 2.0 billion shares with a par value P1.00 per share.

FEMI subscribed to 700.0 million shares in exchange for the assignment of its interests in the MRTHI and Metro Rail Transit Corp. Limited with an aggregate carrying value of P1.3 billion. As a result, share capital of P700.0 million with a par value of P1.00 per share was recognized, with the excess credited to additional paid-in capital.

c. On December 16, 2013, the SEC approved the conversion of a portion of the Parent Company's liabilities to FEMI amounting to P800.0 million into equity shares totaling 800.0 million shares at P1.00 par value.

d. On September 4, 2014, the SEC approved the conversion of a portion of the Parent Company's liabilities to FEMI amounting to P200.15 million into equity shares totaling 200.15 million shares at P1.00 par value. The conversion resulted in FEMI owning 87.89% shareholding in the Parent Company.

Planned increase in authorized capital stock

On September 24, 2018, the BOD approved the Parent Company's plan to increase its authorized capital stock from 2.0 billion shares at P1.00 per share to 5.0 billion shares at P1.00 per share. FEMI agrees to subscribe to 25% of the planned increase in capitalization, or 750.0 million shares at P1.00 per share. Out of the said subscription, P500.0 million corresponding to 500.0 million common shares at P1.00 per share will be fully paid through the conversion into equity of a portion of FEMI advances to the Parent Company. As at report date, the Parent Company is awaiting the approval of the SEC for the planned increase in authorized capital stock.

Note 10 - Depot royalty income

Depot royalty income for the year ended December 31, 2021 amounting to P7,887,684 (2020 - P9,329,483; 2019 - P30,296,661) represents the Group's 28.47% share in the 5% of the gross receipts of the rental income from TriNoma commercial center owned and operated by NTDCC. The amount of royalty income is recognized over time as NTDCC earns rental income from the commercial center.

Note 11 - General and administrative expenses

This account consists of the following:

	Note	2021	2020	2019
Salaries and wages		20,327,228	5,398,091	1,093,336
Transportation and travel		5,396,832	2,686,300	756,029
13th month pay		1,698,532	455,232	119,500
Professional and retainer's fee		1,641,236	1,287,322	514,149
Taxes and licenses		1,351,960	1,281,269	1,339,176
Directors' fees		554,035	410,936	440,351
Legal		371,748	598,684	292,890
Amortization expense	7	27,317	27,317	27,317
Telephone, telegraphic, and postage		12,161	850	106,158
Others		577,866	513,210	211,920
		31,958,915	12,659,211	4,900,826

Salaries and wages include compensation paid to executive officers seconded by the Parent Company from FEMI who joined the Parent Company starting September-October 2020.

Others include advertising and promotions, trainings, registration fees, bank charges, office supplies, food expense and utilities.

Note 12 - Other income (expense), net

Other income (expense), net for the years ended December 31 consists of the following:

	Note	2021	2020	2019
Exclusivity fee		20,000,000	-	-
Gain (loss) on foreign exchange		406,126	(96,279)	(290,502)
Interest income	2	4,069	3,893	3,232
Assumption of liability		-	-	20,260,083
Other income		-	-	60,714
		20,410,195	(92,386)	20,033,527

Foreign exchange gain (loss) relates to the translation and transactions in respect of the Group's USD-denominated cash account.

Exclusivity fee

On February 8, 2021, the Parent Company entered into an exclusivity agreement with a third party for a prospective infrastructure-related investment. A non-refundable exclusivity fee to undertake due diligence for a period of ninety (90) days amounting to P20,000,000 was collected by the Parent Company. On July 5, 2021, the Parent Company and the third party agreed to no longer proceed with the proposed transaction. As a result, the Company no longer have rights or obligations in relation to the exclusivity agreement, and the exclusivity fee was recognized as income in full in the statement of total comprehensive income.

Assumption of liability

On May 1, 2014, MGHC engaged Arch Advisory Limited (Arch Advisory) as its financial supervisor in connection with preparation of investable financial models, including funding, negotiation of potential projects with the Philippine Government and Metro Pacific, structuring the terms and conditions of a proposed financing for the MRT3 rail line that will be offered to potential investors, among others. In 2019, MRTC assumed the outstanding liability to Arch Advisory including all other fees paid to the latter in prior years for a total amount of P20,260,083.

Note 13 - Income taxes

Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)

On March 26, 2021, the President of the Republic of the Philippines signed into law Republic Act No. 11534 or the CREATE) Act, which is the reconciled version of the Bicameral Conference Committee. It settled the disagreeing provisions of House Bill No. 4157 and Senate Bill No. 1357. The CREATE Act was previously known as the Corporate Income Tax and Incentives Reform Act (CITIRA) bill. The law became effective on April 11, 2021.

Among the salient provisions of CREATE include changes to the Corporate Income Tax (CIT) as follows:

1. Reduction in CIT rate effective July 1, 2020 for domestic corporations are as follows:
    a. Those with assets amounting to P100,000,000 and below, and with taxable income equivalent to P5,000,000 and below will be subjected to a 20% tax rate; and
    b. Those with assets above P100,000,000 or those with taxable income amounting to more than P5,000,000 will be subjected to a 25% tax rate.
2. Effective July 1, 2020 until June 30, 2023, the minimum corporate income tax rate shall be 1%.

Under CREATE, the Group prepared its annual income tax return for the year ended December 31, 2021 using the updated rate of 25% (2020 - pro-rated rate reckoned from July 1, 2020 of 27.5%).

For financial reporting purposes, the enactment of CREATE after the December 31, 2020 was deemed a non-adjusting subsequent event in the December 31, 2020 consolidated financial statements. Hence, effect of changes in the tax rates applied is reflected in the income tax reconciliation for the year ended December 31, 2021.

Income tax (benefit) expense

Details of income tax (benefit) expense recognized in profit or loss for the years ended December 31 are as follows:

	2021	2020	2019
Current	(5,237,684)	1,679,307	9,111,142
Deferred	265,746	-	-
	(4,971,938)	1,679,307	9,111,142

The Parent Company used regular current income for purposes of the income tax calculation for the taxable year 2021 and Optional Standard Deduction (OSD) for taxable years 2020 and 2019, while the subsidiaries used regular current income for the taxable years 2021, 2020 and 2019.

Deferred income tax (DIT)

Details of DIT assets as at December 31 are as follows:

	2021	2020	2019
Allowance for impairment of other receivables	1,328,734	1,594,480	1,594,480
MCIT	82,938	-	-
	1,411,672	1,594,480	1,594,480

For the year ended December 31, 2021, the Group recognized the effect of the reduction of the tax rate from 30% to 25% amounting to P265,746 for its DIT asset on allowance for impairment of other receivables. DIT asset on minimum corporate income tax (MCIT) for the taxable year 2021 amounting to P82,938 was calculated at 1% and will expire on December 31, 2024.

The Group did not recognize deferred income tax assets arising from the net operating loss carry-over (NOLCO) because management has assessed there will be no future taxable income against which the benefits of these tax assets can be utilized.

The amounts and details of NOLCO and the related unrecognized DIT assets as at December 31 which could be carried over as a deduction from taxable income for the next consecutive years are as follows:

Year loss was incurred	Year of expiration	2021	2020
2020	2025	1,252,083	1,252,083
2021	2026	3,660,990	-
		4,913,073	1,252,083
Applicable tax rate		25%	30%
Unrecognized DIT asset		1,228,268	375,625

Reconciliation of pre-tax income to tax expense

The reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense are as follows:

	2021	2020	2019
Income tax at tax rate of 25% (2019 and 2020 - 30%)	652,552,406	769,538	13,060,369
Adjustments for:			
Non-deductible expenses	1,029	799	1,507,537
Interest income subject to final tax	(1,017)	(1,068)	(970)
Share in net (income) loss of investment in associate	(1,920,041)	(1,796,172)	568,440
Non-taxable income	(651,547,624)	-	-
Unrecognized NOLCO	915,247	375,625	-
Impact of OSD	-	2,330,585	(6,024,234)
Change in effective tax rate	125,804	-	-
Adjustment for current tax of prior periods	(5,097,742)	-	-
	(4,971,938)	1,679,307	9,111,142

Critical accounting judgment: Income taxes

Significant judgment is required in determining the income tax expense recognized in profit or loss. There are some transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. The Group recognizes liabilities for anticipated tax assessment issues when it is probable. The liabilities are based on assessment and judgment of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the Group's income tax and related liability in the period in which such determination is made.

The recognition of DIT assets depends on management's assessment of the probability and available future taxable income against which the temporary difference can be applied. The Group reviews the carrying amount of its DIT assets at the end of each reporting period and reduces the amounts to the extent it is no longer probable that sufficient taxable profit will allow all or part of its DIT assets to be utilized. Management has assessed during the reporting periods that the Group will be able to generate sufficient future taxable income against which the temporary differences can be applied, except for NOLCO which is unrecognized.

Note 14 - Related party transactions and balances

Transactions and balances with related parties are presented as follows:

	Transactions			Balances		
	2021	2020	2019	2021	2020	Ref
Due from related parties - non-current (Note 3)						
Reimbursement of expenses						(a)
MRTHI - investee	-	-	(1,012,757)	117,361	117,361	
MRTHII - investee	-	-	-	1,649,110	1,649,110	
Dividend receivable						
MRTHII - investee	891,036,773	-	-	891,036,773	-	(b)
	891,036,773	-	(1,012,757)	892,803,244	1,766,471	
Due to a stockholder						
Payments on behalf						
FEMI	37,822,513	28,538,085	28,691,708	(707,010,807)	(744,833,320)	(c)
Due to other related parties						
Advances						
MRTHI - investee	-	(8,198,827)	-	(221,939,234)	(221,939,234)	(d)
MRTHII - investee	(27,978,631)	-	-	-	(119,728,217)	(e)
MRTDC - associate	(7,895,000)	(5,526,501)	(14,249,802)	(27,671,303)	(19,776,303)	(f)
Dividend settlement						
MRTHII - investee	147,706,848	-	-	-	-	(b)
	111,833,217	(13,725,328)	(14,249,802)	(249,610,537)	(361,443,754)	

(a) Reimbursement of expenses

Receivables from MRTHI and MRTHII represent expenses paid by the Group on their behalf. Amounts are unsecured, non-interest bearing, and collectible in cash upon demand, but not expected to be collected within 12 months from the end of the reporting period.

(b) Dividend from MRTHII

During the year ended December 31, 2021, MRTHII declared dividends to the Parent Company amounting to P2,606,190,497. Details of its settlement are set out in Note 5.1 (c). Dividend receivables are collectible in are unsecured, non-interest bearing, and collectible in cash upon demand, which is not expected to be collected within 12 months from the end of the reporting period.

(c) Due to a stockholder

Due to a stockholder is unsecured, non-interest, and arose mainly from FEMI's payment of the Parent Company's bank loans, including interests and penalties, aggregating to P3.0 billion, and the cost of acquisition of shares of MRTHII amounting to P180.0 million. Over the years, the amount of liability was reduced mainly through repayments and conversion of FEMI advances into equity. Repayments amounting to P37,822,513 were made during the year ended December 31, 2021 (2020 - P28,538,085). No conversion to equity was made during the year ended December 31, 2021 and 2020.

On November 2, 2018, the Parent Company entered into a Repayment Agreement with FEMI for the repayment of advances to the latter. To enable the Parent Company to make its repayments to the extent of P300.0 million, the Parent Company assigns to FEMI for a period of fifteen (15) years commencing on January 30, 2020 and ending on January 30, 2034, its receipts from depot royalty income. On April 11, 2019, the BOD of the Parent Company passed a resolution approving the Parent Company's agreement with FEMI that in consideration of FEMI not charging interest on the outstanding obligations of the Parent Company, the Parent Company agreed to partially repay the advances from FEMI by way of allocating to FEMI dividends and other income from affiliates of the Parent Company in addition to the assignment of depot royalties.

FEMI, in its letter of support to the Group, committed not to demand payment of the amount due from the Group for a period of at least twelve (12) months from reporting date or until such time that the Group has the ability to pay in accordance with the Repayment Agreement above. As the Group has the unconditional right to defer settlement of the advances for at least 12 months from reporting date, the amount was classified as non-current liability as at December 31, 2021 and 2020.

(d) Advances from MRTHI

Outstanding amounts payable to MRTHI arose from advances to Parent Company for settlement of outstanding obligations. Amounts are unsecured, non-interest bearing, and are to be offset against the Parent Company's share of future dividends of MRTHI, which are not expected to be declared within 12 months from reporting date, thus, the amount was classified as non-current liability as at December 31, 2021 and 2020.

(e) Advances from MRTHII

Amounts payable to MRTHII arose from advances to Parent Company for settlement of outstanding obligations. During the year ended December 31, 2021, MRTHII declared dividends to the Parent Company. As a result, the outstanding liability was fully eliminated as set out in the details of settlement or discharge in Note 5.1 (c).

(f) Advances from MRTDC

Outstanding amounts payable to MRTDC arose from advances to Parent Company for settlement of outstanding obligations. Amounts are unsecured, non-interest bearing, and are to be offset against the Parent Company's share of future dividends of MRTDC, which are not expected to be declared within 12 months from reporting date, thus, the amount was classified as non-current liability as at December 31, 2021 and 2020.

The following related party transactions and balances were eliminated for the purpose of preparing the consolidated financial statements as at and for the years ended December 31:

	2021	2020
As at December 31		
Investment in subsidiaries	1,110,799	4,872,561
Trade and other receivables	3,584,098	3,558,950
Accrued expense and other current liabilities	(1,338,217)	(5,059,792)
Due to related parties	(370,881)	(385,921)
For the year ended December 31		
Other expense, net	(668,966)	(42,969)

Material related party transactions policy

The Group has an approved material related party transactions policy that sets forth the required thresholds for approval for related party transactions as part of the Group's corporate governance policy.

Note 15 - Earnings per share

The following table presents basic and diluted earnings per share (EPS) for the years ended December 31:

	2021	2020	2019
Net income	2,615,181,561	885,818	34,423,420
Divided by weighted average number of shares outstanding	1,998,553,181	1,998,553,181	1,998,553,181
Basic and diluted EPS	1.3085	0.0004	0.0172

The Parent Company has no potential dilutive ordinary shares for the years ended December 31, 2021 and 2020. Therefore, the amounts reported for basic and diluted earnings per share are the same.

Note 16 - Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's management for the purposes of allocating resources to, and assessing the performance of, the Group's various entities.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of services and the type or class of customers. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group's management assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are considered to be primarily holding infrastructure-related investments. Therefore, management considers there is only one operating segment under the requirements of PFRS 8, Operating Segments. In this regard, no segment information is presented.

No geographic information is shown as the revenue and profit from operations of the Group are presently solely derived from its activities in the Philippines.

Note 17 - Critical accounting estimates, assumptions and judgments

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are enumerated below:

(a) Critical accounting estimates and assumptions

- Recoverability of trade and other receivables and due from related parties (Notes 3 and 14)
- Measurement of unquoted equity instruments - cost as an estimate of fair value (Note 5)

(b) Critical accounting judgments

- Recoverability of trade and other receivables and due from related parties (Notes 3 and 14)
- Measurement of unquoted equity instruments - cost as an estimate of fair value (Note 5)
- Recoverability of investment in associates (Note 6)
- Income taxes (Note 13)

Note 18 - Financial risk management objectives and policies

18.1 Components of financial assets and financial liabilities

Financial assets

Details of the Group's financial assets as at December 31 are as follows:

	Notes	2021	2020
At amortized cost			
Cash	2	1,944,204	1,983,966
Trade and other receivables	3	7,493,300	8,863,009
Due from related parties	3	898,118,179	7,081,406
		907,555,683	17,928,381
At FVOCI			
Unquoted equity securities	5	3,058,238,916	1,490,792,040
Quoted equity securities	5	4,052,135	3,696,926
		3,062,291,051	1,494,488,966
		3,969,846,734	1,512,417,347

Trade and other receivables exclude other receivables which are subject to liquidations. Due from related parties are presented gross of allowance for impairment. Allowance for impairment as at December 31, 2021 and 2020 amounted to P5,314,935.

Financial liabilities

Details of the Group's financial liabilities, at amortized cost, at December 31 are as follows:

	Notes	2021	2020
Advances from MPIC	8	350,000,000	350,000,000
Accrued expenses	8	40,038,566	34,712,015
Due to a stockholder	14	707,010,807	744,833,320
Due to other related parties	14	249,610,537	361,443,754
		1,346,659,910	1,490,989,089

Other current liabilities excluded pertain to payables to government agencies that are non-financial liabilities.

18.2 Financial risk factor

The Group's activities expose it to a variety of financial risks and these activities involve the analysis, evaluation and management of some degree of risk or combination of risks. The Group's overall risk management program focuses on the unpredictability of financial markets, aims to achieve an appropriate balance between risk and return and seeks to minimize potential adverse effects on the Group's financial performance.

The most important types of risk the Group's manages are liquidity risk and credit risk.

18.2.1 Liquidity risk

Liquidity risk arises from the possibility that the Group will encounter difficulty in raising funds to meet associated commitments with financial instruments.

The Group manages the liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves and reserve borrowing facilities as necessary in accordance with internal policies. Short-term advances from related parties are availed to cover for immediate expenses and maturing obligations. The Group is also able to defer payments of some of its due to related party balances.

The Group continues to obtain support from FEMI to finance the Group's operations.

The table below presents the Group's financial liabilities:

	Within 12 Months	More than 12 months	Total
2021			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	40,038,566	-	40,038,566
Due to a stockholder	-	707,010,807	707,010,807
Due to other related parties	-	249,610,537	249,610,537
	390,038,566	956,621,344	1,346,659,910
2020			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	34,712,015	-	34,712,015
Due to a stockholder	-	744,833,320	744,833,320
Due to other related parties	-	361,443,754	361,443,754
	384,712,015	1,106,277,074	1,490,989,089

The Group expects to settle the above financial obligations due within 12 months in accordance with their contractual maturity of 30 to 60 days.

18.2.2 Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation. Significant changes in the economy that may represent a concentration in the Group's business, could result in losses that are different from those provided for at reporting date.

Credit risk arises from cash deposits with banks and financial institutions, as well as credit exposure on receivable from customers, related parties and other counterparties. The fair values of these financial assets approximate net carrying amounts due to their short-term maturities.

The Group has a significant concentration of credit risk on its transactions with NTDCC, its sole customer. However, this is brought down to an acceptable level since depot royalties are collected in accordance with the agreement and the Group's credit policy with no reported defaults and write-offs in previous years. In addition, credit risk is minimized by monitoring receivables regularly.

The Group has the following financial assets as at December 31 where the expected credit loss model has been applied:

	Gross carrying amount	Allowance provided	Net carrying amount	Internal credit rating	Basis of recognition of ECL
2021					
Cash	1,908,003	-	1,908,003	Performing	12-month ECL
Trade and other receivables					
Group 1	7,493,300	-	7,493,300	Collective assessment	Lifetime ECL
Due from related parties					
Group 2	892,803,244	-	892,803,244	Performing	12-month ECL
Group 3	5,314,935	(5,314,935)	-	Credit impaired	Lifetime ECL
	907,519,482	(5,314,935)	902,204,547		
2020					
Cash	1,947,765	-	1,947,765	Performing	12-month ECL
Trade and other receivables					
Group 1	8,863,009	-	8,863,009	Collective assessment	Lifetime ECL
Due from related parties					
Group 2	1,766,471	-	1,766,471	Performing	12-month ECL
Group 3	5,314,935	(5,314,935)	-	Credit impaired	Lifetime ECL
	17,892,180	(5,314,935)	12,577,245		

Credit quality of customers are classified as follows:

- Group 1 - Customer and counterparty balances without history of default and assessed to be fully recoverable.
- Group 2 - Customer and counterparty balances with some defaults in the past. Amounts are largely collectible after collection efforts.
- Group 3 - Individually assessed customer with defaults and which the Group no longer expects to recover the balance despite its collection efforts.

The maximum exposure to credit risk at the reporting date is the carrying value of financial assets summarized above.

Cash exclude cash on hand as at December 31, 2021 and 2020 amounting to P36,201 (Note 2) which is not subject to credit risk.

None of the fully performing financial assets have been renegotiated during the years ended December 31, 2021 and 2020. The Company does not hold any collateral as security to the above financial assets.

Credit quality of the Group's financial assets

Cash in banks

To minimize credit risk exposure from its cash account, the Group deposits its cash in universal banks that have good credit ratings. Accordingly, the Group's cash in bank is subject to insignificant expected credit loss as at reporting dates.

Receivables

Group 1 - The Group's receivables under Group 1 consists of amounts due from NTDCC, have no history of recent default or write-off and are considered to be fully performing. Accordingly, no provision for impairment is required.

Group 2 - Past due but not impaired receivables consist of amounts due from related parties, who, despite delays in collection based on the credit term, are deemed to be fully collectible based on management's assessment and counterparties' financial capacity and creditworthiness. Accordingly, no provision for impairment is required at reporting date.

Group 3 - The Group records a provision for impairment of receivables that are assessed to have a significant probability of becoming uncollectible. The assessment is based on the Group's knowledge of the collectability of the account, nature of dispute and the creditworthiness of the customer.

18.2.3 Foreign currency exchange risk

Foreign currency exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the Group's functional currency.

The Company has transactional currency exposure. Such exposure is not material to the Group as this arises mainly from immaterial cash balances denominated in US Dollar.

18.3 Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern, while maximizing the return on investments of stockholders. The Group monitors its use of capital by comparing deficit to total capitalization and makes adjustments to it in light of changes in economic conditions and its financial position.

The Group considers its long-term debt from FEMI and other related parties, as well as total equity consisting of share capital, additional paid-in capital, and deficit, as its capital:

	Notes	2021	2020
Equity			
Share capital	9	1,998,553,181	1,998,553,181
Additional paid-in capital		589,120,804	589,120,804
Retained earnings (deficit)		44,168,747	(2,571,012,814)
		2,631,842,732	16,661,171
Debt			
Due to a stockholder	14	707,010,807	744,833,320
Due to related parties	14	249,610,537	361,443,754
		956,621,344	1,106,277,074
		3,588,464,076	1,122,938,245

Note 19 - Summary of significant accounting policies

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

19.1 Basis of preparation

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

These consolidated financial statements have been prepared under the historical cost convention except for financial assets at FVOCI.

The preparation of the consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 17.

19.2 Changes in accounting policies and disclosures

There are no new standards, amendments and interpretations which are effective for the financial year beginning January 1, 2021 that are relevant to and have a material impact on the Group's consolidated financial statements.

New standards, amendments and interpretations not yet adopted

A number of new standards and amendments are effective for annual periods beginning after January 1, 2021 and have not been applied in preparing the consolidated financial statements. None of these standards are expected to be relevant on the consolidated financial statements of the Group, except for the following:

- PAS 1: Classification of Liabilities as Current or Non-current

  The narrow-scope amendments clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability.

  The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group does not expect the amendments to have a significant impact on the Group's consolidated financial statements.

- PAS 1 and PFRS Practice Statement 2: Disclosure of Accounting Policies

  The amendments require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Group does not expect the amendments to have a significant impact on the Group's consolidated financial statements.

- PAS 8: Definition of Accounting Estimates

  The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Group does not expect the amendments to have a significant impact on the Group's consolidated financial statements.

- PAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

  The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

  - right-of-use assets and lease liabilities, and
  - decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets. Changes in accounting policy and disclosures

  The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate. PAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Group does not expect the amendments to have a significant impact on the Group's consolidated financial statements.

19.3 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories: (a) those to be measured subsequently at fair value (either through OCI or through profit or loss), and (b) those to be measured at amortized cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group holds financial assets at fair value through OCI (Note 5).

Financial assets at amortized cost are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. The Group's financial assets at amortized cost category includes cash (Note 2), trade and other receivables (Note 3), and due from related parties (Notes 3 and 14).

The Group classifies the following investments as financial assets at FVTPL:

- investments in equity securities unless irrevocably elected at initial recognition to be measured at fair value through OCI;
- investments in debt instruments held within a business model whose objective is to sell prior to maturity or has contractual terms that does not give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI)on the principal amount outstanding, unless designated as effective hedging instruments under a cash flow hedge;
- investments that contain embedded derivatives; and
- investments in debt instruments designated as financial assets at FVTPL at initial recognition.

The Group's does not hold financial assets at FVTPL.

Recognition and subsequent measurement

The Group recognizes a financial asset in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequently, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is recognized using the effective interest rate method.

Changes in the fair value of financial assets at FVOCI are recognized in other comprehensive income.

The Group assesses whether the cost is the best estimate of fair value of financial assets at FVOCI.

In making the assessment, the Group checks whether there are events or circumstances that might indicate that cost might not be representative of fair value of the financial assets, including significant change in the investees' performance and operations, as well significant change in the economic environment in which the investees operate. The Group also considers costs as the best measure of fair value where more recent available information is insufficient to determine fair value; or where there is a wide range of possible fair value measurements, and cost represents the best estimate of fair value within that range.

Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses are presented separately in the consolidated statement of total comprehensive income.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECL for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL. The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as gross domestic product and inflation rate affecting the ability of the customers to settle the receivables.

General approach

Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECL

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in the consolidated statement of total comprehensive income and presented in other gains/(losses).

19.4 Financial liabilities

Classification

The Group classifies its financial liabilities as: (i) financial liabilities at fair value through profit or loss, and (ii) other financial liabilities measured at amortized cost. Financial liabilities under category (i) comprise of two sub-categories: financial liabilities classified as held for trading and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition. Management determines the classification of its financial liabilities at initial recognition.

The Group did not hold financial liabilities under category (i) during and at the end of each reporting period.

Other financial liabilities at amortized cost are contractual obligations which are either those to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group. These are included in current liabilities, except for maturities greater than 12 months after the reporting period which are classified as non-current liabilities.

The Group's other financial liabilities at amortized cost consist of accrued expenses and other current liabilities (excluding payable to government agencies) (Note 8), due to a stockholder (Note 14), and due to other related parties (Note 14).

Recognition and measurement

The Group recognizes a financial liability in the consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provision of the instrument.

Other financial liabilities at amortized cost are initially measured at fair value plus transaction costs. Subsequently, these are measured at amortized cost using the effective interest rate method.

Derecognition

Other financial liabilities at amortized cost are derecognized when the obligation is paid, settled, discharged, cancelled or has expired.

Transfer, assumption, or assignment of liabilities

The transfer, assumption, or assignment of financial liabilities to or from other parties for no consideration requires recognition of gains or losses, charged to other income or expense in the statement of total comprehensive income.

19.5 Determination of fair value

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

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

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

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

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

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

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3. The Group's unquoted financial assets, pertaining to investments in MRTHI and MRTHII, are under Level 3 fair value category. The cost of the investments represents the best estimate of the fair value of the investments as at reporting date (Note 5).

Specific valuation techniques used to value financial instruments include:

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

The carrying amounts of financial instruments presented as part of current assets and current liabilities as at December 31, 2021 and 2020 approximate their fair values due to their short-term maturities.

The fair values of due to a stockholder and due to other related parties amounted to P626,594,392 (2020 - P665,576,140) and P221,219,479 (2020 - P322,982,783), determined using discounted cash flow approach by applying current market interest rates of 3.51% (2020 - 2.49%) (Level 2), based on the expected settlement of the amounts by the end of the BLT Agreement in July 2025.

The Group has no other financial assets and liabilities measured at fair value during and at the end of each reporting date.

Non-financial assets

For non-financial assets, the Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

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

The fair value of a non-financial asset is measured based on its highest and best use. The carrying value of the Group's non-financial assets, substantially property and equipment, approximate its fair value in the light of the assets' current use is presumed to be its highest and best use.

19.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty. The Group does not have financial assets and liabilities that are covered by enforceable master netting arrangements and other similar agreements.

19.7 Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated.

Accounting policies and reporting period of its subsidiaries are consistent with the policies adopted by and the reporting period of the Parent Company.

Non-controlling interests

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Group. Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not wholly-owned and are presented in the consolidated statement of total comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, separately from the equity attributable to the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having deficit balance.

The amount of non-controlling interests from the Group's investment in MGHC Royal Holdings Corporation (MGHC Royal) is immaterial as at December 31, 2021 and 2020 considering that MGHC Royal is a dormant entity.

Disposal of subsidiary

When the Group ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

19.8 Cash

Cash includes cash on hand and deposits held at call with banks. These are carried in the statement of financial position at nominal amount which approximates fair value. Cash in banks earn interest at the prevailing bank deposit rates.

19.9 Trade and other receivables

Trade receivables arising from depot royalties with an average credit term of 60 days are recognized at transaction price and subsequently measured at amortized cost using effective interest method less any provision for impairment.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using effective interest method, less any provision for impairment.

Trade receivables and its related provision for impairment are written off when the Group has determined that the receivable is uncollectible as they have already exerted all collection efforts, including filing a legal case. Bad debts written off are specifically identified after exhausting all collection efforts (i.e. sending demand letters and legal notice of default to customers) and are approved by the BOD.

Write-offs represent either direct charge against profit or loss at the time the receivable deemed uncollectible or the release of previously recorded provision from the allowance account and credited to the related receivable account following the Group's assessment that the related receivable will no longer be collected after all collection efforts have been exhausted.

Subsequent recoveries of amounts previously written-off are credited in profit or loss under general and administrative expenses. Reversals of previously recorded impairment provision are recognized in profit or loss based on the result of management's update assessments, considering available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with customers as to the recoverability of receivable at reporting date.

19.10 Other current assets

Other current assets consist of input value-added tax (VAT) and creditable withholding taxes. These are stated at face value less provision for impairment, if any. Provision for unrecoverable input VAT and creditable withholding taxes, if any, is maintained by the Group at a level considered adequate to provide for potentially unutilizable or uncollectible portion of the claim. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss within general and administrative expenses.

Input VAT and creditable withholding taxes are derecognized when there is a legally enforceable right to apply the recognized amounts against the related liability within the period prescribed by the relevant tax laws.

Amounts are included in current assets, except when the related assets are expected to be realized more than twelve (12) months after the reporting period which are classified in non-current assets.

19.11 Investment in associate

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights (Note 6).

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. It is also decreased by dividends received from the investee. The Group's investment in associates includes goodwill identified on acquisition. Any excess of the Group's share of the net fair value of the associates identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Dilution gains and losses arising in investments in associates are recognized in profit or loss. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

19.12 Intangible assets

Intangible assets acquired separately are carried at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of intangible assets with finite lives, and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the remaining useful economic life at the date of acquisition or business combination. These are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for an intangible asset with a finite useful life is reviewed at the end of each reporting date.

The Group's intangible asset, pertaining to depot royalty rights, was assigned with a useful life of 33 years commencing from 2014 up to 2047 or the expiration of the development rights (Note 7).

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization of intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

19.13 Impairment of non-financial assets

Non-financial assets that have definite useful lives are subject to depreciation or amortization and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Value in use requires the Group to make estimates of future cash flows to be derived from the particular asset and discount them using a pre-tax market rate that reflects current assessments of the time value of money and the risks specific to the asset.

Impairment losses, if any, are recognized in profit or loss within other expenses in the consolidated statement of total comprehensive income. Non-financial assets that have been impaired are reviewed for possible reversal of the impairment at each reporting period. When impairment loss subsequently reverses, the carrying amount of the assets or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss has been recognized for the asset or cash-generating unit in prior years. Reversals of previously recorded impairment provisions are credited against provision account in profit and loss.

19.14 Accrued expense and other current liabilities

Accrued expense and other current liabilities are obligations to pay for related money received, goods or services that have been acquired in the ordinary course of business from purchase of goods or service.

Accrued expense and other current liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established or when the corresponding assets or expenses are recognized. These are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

The transfer, assumption, or assignment of financial liabilities to or from other parties for no consideration requires recognition of gains or losses, charged to other income or expense in the statement of total comprehensive income.

19.15 Provisions and contingencies

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

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

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized in the consolidated statement of financial position.

Provisions are derecognized when the related legal or contractual obligation is discharged, cancelled or expired.

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.

19.16 Revenue recognition

Revenue is measured based on the transaction price specified in a contract with the customer. The Group recognizes revenue when it transfers control over a product or service to a customer.

The following is a description of principal activities from which the Group generates its revenue.

Depot royalty income

The amount of royalty income is recognized over time as NTDCC earns rental income from the TriNoma commercial center. The use of a time-based approach (output method) best provides a faithful depiction of the transfer of services to the customer given the nature of the royalty arrangement.

Dividend income

Dividend income is recognized at the point in time when investees have declared dividends.

Other income

Other income is recognized when earned.

Interest

Revenue is recognized on a time-proportion basis using the effective interest method.

19.17 Cost and expense recognition

Costs and expenses are recognized in the statement of total comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the statement of total comprehensive income:

- on the basis of a direct association between the costs incurred and the earning of specific items of income;
- on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- immediately when expenditure produces no future economic benefits or when, and to the extent
- that, future economic benefits do not qualify or cease to qualify, for recognition in the statement of financial position as an asset.

Costs and expenses in the statement of total comprehensive income are presented using the function of expense method.

19.18 Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Retirement benefits

The Group has yet to adopt a formal retirement plan for the benefit of its qualified employees. Under RA No. 7641, in the absence of a retirement plan or agreement providing for retirement benefits of employees in the private sector, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least 5 years in a private company, may retire and shall be entitled to retirement pay equivalent to at least one-half month salary plus one twelfth of the 13th month pay and cash equivalent of not more than 5 days of service incentive leaves for every year of service (or 100% of monthly salary), a fraction of at least 6 months being considered as one whole year.

The liability recognized in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in Philippine Peso, the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement obligation.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in profit or loss.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group 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.

19.19 Foreign currency transactions and translations

Items included in the financial statements of the Group 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 Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

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 total comprehensive income.

19.20 Related party relationships and transactions

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

19.21 Current and deferred income tax

Income tax expense recognized in profit or loss during the period comprises of current and deferred income tax (DIT), except to the extent that it relates to items recognized in other comprehensive income.

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

DIT is recognized on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. DIT is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related DIT asset is realized or the deferred income tax liability is settled.

DIT assets are the amounts of income taxes recoverable in future periods in respect of all deductible temporary differences. DIT assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized. DIT liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

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

19.22 Earnings per share

Basic EPS is computed by dividing net income attributable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, if any.

Diluted EPS is computed by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive convertible preferred shares. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted, would decrease the basic EPS, then such convertible preferred shares would be deemed dilutive. Where the effect of the assumed conversion of the preferred shares have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

19.23 Equity

Capital stock is determined using the par value of shares that have been issued.

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.

Retained earnings (deficit) include all current and prior period results as disclosed in the statement of income.

19.24 Subsequent events

Subsequent events that provide additional information about the Group’s position at the financial reporting date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes to financial statements when material.

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES AS REQUIRED BY REVISED SRC RULE 68
DECEMBER 31, 2021

Schedules	Description
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of the financial statements
D	Long Term Debt
E	Indebtedness to Related Parties (Long-Term loans from Related Companies)
F	Guarantees of Securities of Other Issuers
G	Share Capital
	Schedule of Financial Soundness Indicator
	Reconciliation of Retained Earnings Available for Dividend Declaration
	A Map Showing the Relationships between and among the Parent Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries and Associates

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2021

Name of issuing entity and association of each issue	Number of shares	Amount shown in the Statement of Financial Position	Income received and accrued
Financial assets at amortized cost			
Cash in banks			
Union Bank of the Philippines, Inc	-	912,976	1,947
Rizal Commercial Banking Corporation	-	273,637	584
United Coconut Planters Bank	-	721,390	1,538
Cash on hand	-	36,201	-
Total cash and cash equivalents	-	1,944,204	4,069
Trade receivables	-	7,493,300	-
Other receivables			
Receivable from Monumento Rail	-	5,314,935	-
Advances to MRTHI	-	117,361	-
Advances to MRTHII	-	892,685,883	-
	-	907,555,683	4,069
Financial asset through other comprehensive income			
Unquoted equity securities	11,856,311	3,058,238,916	-
Quoted equity securities	5,781,917	4,052,135	-
Total financial assets		3,969,846,734	4,069

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2021

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Write-offs	Current	Noncurrent	Balance at the end of the period
Due from related parties							
Metro Rail Transit Holdings I	117,361	-	-	-	-	117,361	117,361
Metro Rail Transit Holdings I	1,649,110	891,036,773	-	-	-	892,685,883	892,685,883
Total due from related parties	1,766,471	891,036,773	-	-	-	892,803,244	892,803,244

**As required by the Revised SRC Rule 68, this schedule shall be filed with respect to each person among the directors, officers and employees from whom an aggregate indebtedness of more than P1 million or one percent (1%) of total assets, whichever is less, is owed for items arising outside the ordinary course of business. There were no advances with respect to each person among the directors, officers and employees amounting to more than P1 million outside the ordinary course of business as of December 31, 2021.*

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at the end of the period
Metro Global Holdings Corporation	1,298,029	40,188	-	-	1,338,217	-	1,338,217
MGHC Royal Holdings Corporation	385,921	-	(15,040)	-	370,881	-	370,881
Metro Renewable Transport Solutions, Inc.	1,875,000	-	-	-	1,875,000	-	1,875,000
Total	3,558,950	40,188	(15,040)	-	3,584,098	-	3,584,098

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG TERM DEBT
DECEMBER 31, 2021

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Notes
N/A	N/A	N/A	N/A	N/A

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2021

Name of related party	Balance at beginning of the period	Balance at the end of the period
Fil-Estate Management, Inc	744,833,320	707,010,807
Metro Rail Transit Holdings, Inc. I	221,939,234	221,939,234
Metro Rail Transit Holdings, Inc. II	119,728,217	-
MRT Development Corporation	19,776,303	27,671,303
	1,106,277,074	956,621,344

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2021

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

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE G -SHARE CAPITAL
DECEMBER 31, 2021

Title of Issue	Number of shares authorized	Number of shares issued and outstanding	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Number of shares held by Directors, officers and employees	Number of shares held by others
Common shares	2,000,000	1,998,553,181	-	1,757,690,197	3,410,014	237,452,970

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATOR
DECEMBER 31, 2021

	December 31, 2021	December 31,2020
Current ratio[a]	0.03:1	0.03:1
Acid Test ratio[b]	2.31:1	0.03:1
Solvency ratio[c]	1.94:1	0.001:1
Debt-to-equity ratio[d]	0.51:1	84:1
Asset-to-equity ratio[e]	1.51:1	85:1
Interest rate coverage ratio[f]	N/A	N/A
Debt service coverage ratio[g]	N/A	N/A
Net debt/EBITDA[h]	N/A	N/A
Earnings per share (PHP)[i]	1.3085:1	0.0004:1
Book value per share[j]	1.32:1	0.01:1
Return on assets[k]	0.952:1	0.001:1
Return on equity[l]	1.97:1	0.05:1
Net Profit Margin[m]	331.55:1	0.09:1

[a]Current assets/Current liabilities
[b]Cash and cash equivalents + Trade and other receivables, net + Due from related parties/Current liabilities
[c]Net operating profit after tax + depreciation and amortization/ Total liabilities
[d]Total liabilities/ Total equity
[e]Total assets/ Total equity
[f]Earnings before interest, taxes, depreciation and amortization / Interest expense
[g]Earnings before interest, taxes, depreciation and amortization / (Current loan payable + Interest expense + current lease liabilities)
[h]Loans payable less cash and cash equivalents/ Earnings before interest, taxes, depreciation and amortization
[i]Net income / Weighted average number of ordinary shares
[j]Total equity less Preferred Equity/ Total number of shares outstanding
[k]Net income/ Average total assets
[l]Net income / Average total equity
[m]Net income/ Depot royalty income

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION
DECEMBER 31, 2021

Metro Global Holdings Corporation

Reconciliation of Parent Company Retained Earnings Available for Dividend Declaration

As at December 31, 2021
(All amounts in Philippine Peso)

Unappropriated deficit at beginning of the year as shown in the Parent Company's separate financial statements	(2,569,760,729)
Net income during the year closed to retained earnings	2,614,593,873
Less: Non-actual/unrealized income net of tax	-
Equity in net income of associate/joint venture	(7,680,162)
Unrealized foreign exchange gain - (after tax) except those attributable to cash and cash equivalents)	-
Unrealized actuarial gain	-
Fair value adjustment (mark-to-market gains)	-
Fair value adjustment of Investment Property resulting to gain	-
Adjustment due to deviation from PFRS - gain	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
Add: Non-actual losses	-
Depreciation on revaluation increment (after tax)	-
Adjustment due to deviation from PFRS - loss	-
Loss on fair value adjustment of investment property (after tax)	-
Subtotal	2,606,913,711
Add: Release of retained earnings appropriation	-
Effects of prior period adjustments	-
Less: Treasury shares	-
Appropriation of retained earnings during the period	-
Dividend declarations during the period	-
Unappropriated retained earnings, as adjusted, ending	37,152,982

Metro Global Holdings Corporation and Subsidiaries

A Map Showing the Relationships between and among the company and its Ultimate Parent Company, Middle Parent, Subsidiaries OR Co-subsidiaries and Associates
December 31, 2021