COVER SHEET

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

Nature of Application
REGISTRATION

SEC Registration
9142

Company Name
METRO GLOBAL HOLDINGS CORPORATION

Principapl Office (No./Street/Barangay/City/Town/Province)
MEZZANINE FLOOR RENAISSANCE TOWER MERALCO AVENUE PASIG CITY

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number's	Mobile Number
corpsec@metroglobalholdings.com	**8633-6205**	**+639178587113**

CONTACT PERSON INFORMATION

The designated person MUST be a Director/Trustee/Partner/Officer/Rsident Agent of the Corporation

Name of Contact Person	Email Address	Telephone Number's
Ramon G. Jimenez	corpsec@metroglobalholdings.com	**8633-6205**

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

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To be accomplished by CRMD Personnel

		Date	Signature
Assigned Processor			
Document I.D.			

Received by Corporate Filing and Records Division (CFRD)

Forwarded to

Corporate Partnership Registration Division

METRO GLOBAL HOLDINGS CORP.

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

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS

Notice is hereby given that **METRO GLOBAL HOLDINGS CORPORATION** (the "Company") will conduct its Annual Stockholders' Meeting virtually via ZOOM [https://us06web.zoom.us/j/86843048458?pwd=c3NqN0llTDI3TGUraHY2TGNxcU94Zz09] on **12 October 2023** (Thursday) **at 10:00** o'clock in the morning, Philippine time. The Agenda of the Meeting is as follows:

1. Call to Order
2. Determination and Certification of Quorum
3. Approval of the Previous Minutes held on 09 December 2022
4. Report of the Chairman
5. Approval of the Audited Financial Statements for the calendar year ended December 31, 2022
6. Certification and Ratification of Corporate Acts for the years 2022 to 2023
7. Election of Directors (including Independent Directors)
8. Election of External Auditor
9. Approval of the amendment of Articles of Incorporation to Increase Authorized from P5 Billion to P10 Billion (after approval of pending Increase in ACS from P2 Billion to P5 Billion)
    a. Issuance of P1.25 billion shares to parent company, Fil-Estate Management, Inc. to be issued out of the Increase in Capital Stock via Debt-to-Equity Conversion
    b. Waiver of Requirement to Conduct Public Offering for issuance to parent company, Fil-Estate Management, Inc., of P1.25 billion shares out of Increase in Capital Stock
10. Approval of Amendment of By-Laws
    a. To change date of Annual Meeting to last Thursday of July each year (from first Thursday of March)
    b. Allow for attendance, participation and voting in absentia

The Board of Directors has fixed the close of business hours on 12 September 2023 as the record date for the determination of stockholders entitled to notice of, to participate and to vote *in absentia* at, the said Meeting and any adjournment thereof.

Stockholders who intend to participate in the Meeting via remote communication must register by filling up the form that can be downloaded at https://metroglobalholdings.com/asmregister/ and submit the required information on or before 7 October 2023. Online registration will be open from 13 September 2023 at 9:00am to 07 October 2023 at 5:00pm. All information received will be subject to verification by the Corporate Secretary and the Stock and Transfer Agent.

We are not soliciting your proxy. However, if you would be unable to attend the Meeting but would like to be represented thereat, you should send a scanned copy of the a proxy form (which need not be notarized) with other supporting documents via email to investor-relations@metroglobalholdings.com not later than 07 October 2023 and send the to the Office of the Corporate Secretary at Poblador Bautista & Reyes Law Office, 5th Floor, SEDDCO Building, Rada Street, Legaspi Village, Makati City.

Validation of proxies shall be held on 09 October 2023 at 9:00am at the Office of the Corporate Secretary. Sample formats of the proxy forms for individual and corporate stockholders are attached for reference.

Stockholders who have successfully registered (a) will be provided access to the live streaming of the Meeting, (b) can vote on the Agenda items using the online ballot that will be sent to them; and (c) can send their questions or comments on the Agenda items by email to investor-relations@metroglobalholdings.com with subject "MGH 2023 ASM Question/Comment." Stockholders who will participate in the Meeting are encouraged to send their questions or comments on or before 11 October 2023. Relevant questions on the Agenda items will be read and answered by the concerned officers during the Meeting.

The Definitive Information Statement which contains a brief explanation of each item in the Agenda, the procedures for attending the Meeting via remote communication and for casting votes *in absentia*, Quarterly Reports as of 30 June 2023 and other documents related to the 2023 Annual Stockholders Meeting are posted in the Company's website at https://metroglobalholdings.com and PSE EDGE portal via https://edge.pse.ph.

Pasig City, September 5, 2023.

METRO GLOBAL HOLDINGS CORPORATION
By:

Gilbert R. T. Reyes

GILBERT RAYMUND T. REYES
Corporate Secretary

EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDERS' APPROVAL

I. Call to Order

The Annual Meeting will be formally opened at approximately 10:00 o'clock in the morning.

II. Certification of Notice of Quorum (and Rules of Conduct and Procedures)

The Corporate Secretary will certify that the written notice for the meeting was duly sent to stockholders of record, including the date of publication and the newspapers where the notice was published. The Corporate Secretary will also certify that a quorum exists, and the Stockholders representing at least a majority of the outstanding capital stock, present in person or by proxy, shall constitute a quorum for the transaction of business.

Pursuant to Sections 23 and 57 of the Revised Corporation Code, which allow voting in absentia by the stockholders, the stockholders may register by submitting the requirements via email at asmregister.metroglobalholdings.com and vote in absentia on the matters for resolution at the meeting. A stockholder who votes in absentia as well as a stockholder participating by remote communication shall be deemed present for purposes of quorum.

Please refer to Annex "C" on the Procedures and Requirements for Voting and Participation in the Annual Meeting for complete information on remote participation or voting in absentia, as well as on how to join the live stream for the Annual Meeting.

III. Approval of the Minutes of the previous Annual Stockholders' Meeting

Stockholders will be asked to approve the Minutes of the Stockholders' Meeting held on 9 December 2022, a copy of which is available at the Company's website, https://metroglobalholdings.com

IV. Annual Report of Management

The performance of the Company in 2022 will be reported.

V. Appointment of External Auditor

The appointment of the external auditor for the ensuing year will be endorsed to the stockholders for approval. The external auditor conducts an independent verification of the Company's financial statements and provides an objective assurance on the accuracy of its financial statements.

VI. Ratification of all acts and resolutions of the Board of Directors, Board Committees and Corporate Officers

The actions of the Board and its committees were those taken since the annual stockholders' meeting on 9 December 2022 until 11 October 2023. These include approvals for appointment of authorized representatives, treasury operations, and matters subject of disclosures to the Securities and Exchange Commission and Philippine Stock Exchange.

VII. Election of Directors

Nominees for election of nine (9) members of the Board of Directors, including two (2) independent directors, will be submitted for election by the stockholders. The profiles of the nominees to the Board of Directors are provided in the Information Statement.

VIII. Amendment of Articles of Incorporation

The proposed increase increase in authorized capital stock from Five Billion (P5,000,000,000.00) to Ten Billion (P10,000,000,000.00) and Amendment of Article Seventh of the Amended Articles of Incorporation to reflect the said increased capital will be submitted for approval of the stockholders

IX. Issuance of One Billion Two Hundred Fifty Million (1,250,000,000) shares to Fil-Estate Management, Inc.

Issuance of One Billion Two Hundred Fifty Million (1,250,000,000) shares via conversion of debt to Fil-Estate Management, Inc. in relation to the increase in capital stock is likewise submitted to the stockholders for approval as required by the Philippine Stock Exchange

X. Waiver of the Requirement to Conduct Public Offering.

Submitted for consideration of the stockholders is the proposal to waive the requirements of the Philippine Stock Exchange for a public offering in case of issuance of new shares to a related party. The vote of the majority of the outstanding shares held by the minority stockholders present or represented at the Annual Stockholders' Meeting is required to dispense with the requirement of a public offering.

XI. Amendment of By-Laws

Submitted for consideration of the stockholders is the proposal to amend the By-Laws to change the date of the Annual Meeting to last Thursday of July each year instead of last Thursday of March each year to allow the Company to finish its Annual Audited Financial Statement (AFS) before the Annual Meeting with stockholders and the amendment of Section 2, Article V of the Amended By-Laws of the Company to reflect this amendment.

Likewise, proposals to amend Article V, Sections 3, 4, 6 and 7 of the Company's Amended By-Laws will be submitted to the shareholders for approval to allow for attendance, participation and voting of shareholders via remote communication and voting *in absentia*

XII. Other matters

Other concerns or matters raised by stockholders will be discussed.

XIII. Adjournment

Upon determination that there are no other matters to be considered, the meeting shall be adjourned.

METRO GLOBAL HOLDINGS CORPORATION
FORM OF PROXY

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

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

as my proxy to represent and vote on my behalf all of my shares in the Company at the 2023 Annual Stockholders’ Meeting of the Company to be held on 12 October 2023, at 10:00am, and at any adjournment or postponement thereof, for the purpose of acting on the following matters:

ITEM NO.	SUBJECT	ACTION		
		FOR	AGAINST	ABSTAIN
3	Approval of the previous Minutes held on 09 December 2022			
5	Approval of the Audited Financial Statements for the calendar year ended 31 December 2022			
6	Certification and Ratification of Corporate Acts for the years 2022 to 2023			
7	Election of Directors (including Independent Directors) for the ensuing year:			
	Robert John L. Sobrepeña			
	Ferdinand T. Santos			
	Noel M. Cariño			
	Rafael Perez de Tagle, Jr.			
	Roberto S. Roco			
	Jaime M. Cacho			
	Alice Odchigue-Bondoc			
	Francisco C. Gonzalez			
	Jose Wilfrido M. Suarez			
8	Election of Isla Lipana & Co. as External Auditor			
9	Approval of amendment of Articles of Incorporation to Increase Authorized Capital Stock from P/5 Billion to P/ 10 Billion			
10	Approval of amendment of By-Laws a. To change date of Annual Meeting to last Thursday of July each year (from first Thursday of March)			

	b. Allow attendance, participation and voting of shareholders via remote communication and voting *in absentia*			

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

A scanned copy of this Proxy Form, with other supporting documents, should be sent via email to investor-relations@metroglobalholdings.com not later than 7 October 2023. A hard copy of the Proxy Form should be delivered to the Office of the Corporate Secretary at Poblador Bautista & Reyes Law Office, 5th Floor, SEDDCO Building, Rada Street, Legaspi Village, Makati City. Validation of proxies shall be held on 09 October 2023 at 9:00am at the Office of the Corporate Secretary.

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

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

This proxy does not need to be notarized.

SAMPLE SECRETARY'S CERTIFICATE

I, **__________________________,** of legal age, Filipino, and with office address at____, after having been duly sworn in accordance with law, hereby depose and say that:

1. I am the duly appointed Corporate Secretary of **____,** a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at ____(the "Corporation");

2. During the special meeting of the Board of Directors of the Corporation held on__________________________, at which meeting a quorum was present and acting throughout, the following resolutions were unanimously approved and adopted:

> "RESOLVED, That the Corporation hereby appoints and designates _______________________________ as the Corporation's Proxy (the Proxy) to attend the Annual Stockholders' Meeting of **METRO GLOBAL HOLDINGS CORPORATION (MGHC)** to be held remotely on **12 October 2023** or on any postponement or adjournment thereof, and in connection therewith, to vote all shares of the Corporation in MGHC and to act on all matters and resolutions that may come before or presented during the meeting or any continuances or adjournments thereof, in the name, place and stead of the Corporation;
>
> RESOLVED, FURTHER, That the power and authority herein granted shall remain valid and effective until such time as the same is withdrawn by the Corporation through notice in writing delivered to the Corporate Secretary of MGHC before the date of any such meeting or until the last day of the fifth year from the date hereof, whichever comes first, and that MGHC may rely on the continuing validity of this resolution until receipt of such written certification of its revocation."

3. The foregoing resolutions have not been revoked, amended nor in any manner modified, and accordingly, the same may be relied upon until a written notice to the contrary is issued by the Corporation.

IN WITNESS WHEREOF, I have hereunto affixed my signature this ________________ at _____________________________.

Printed Name and Signature of
The Corporate Secretary

SUBSCRIBED AND SWORN to before me this ________________________. Affiant exhibited to me his Competent Evidence of Identity by way of___________________issued on ______________________at ________________________________.

NOTARY PUBLIC

Doc. No. ______;
Page No. ______;
Book No. ______;
Series of ______.

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

1. Check the appropriate box

___Preliminary Information Statement

_X__Definitive Information Statement

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

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

4. SEC Identification Number: **9142**

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

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

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

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

Date: 12 October 2023, Thursday
Time: 10:00 a.m. (Philippine time)
Place: Virtually via ZOOM [https://us06web.zoom.us/j/86843048458?pwd=c3NqN0llTDI3TGUraHY2TGNxcU94Zz09]. The Chairman will conduct the online meeting at the principal office of the Corporation at Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Philippines pursuant to Section 15 of SEC Memorandum Circular No. 6, Series of 2020 in relation to Section 50 of the Revised Corporation Code

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

The Information Statement may be accessed at the Corporation's website https://metroglobalholdings.com/ beginning on 13 September 2023.

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

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

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

Yes [√] No [ ]

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

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

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

The 2023 Annual Meeting of the Company will be held on **12 October 2023, Thursday at 10:00am** virtually via ZOOM [https://us06web.zoom.us/j/86843048458?pwd=c3NqN0llTDI3TGUraHY2TGNxcU94Zz09]. The Chairman will conduct the online Meeting at the principal office of the Corporation at the Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Philippines pursuant to Section 15 of SEC Memorandum Circular No. 6, Series of 2020 in relation to Section 50 of the Revised Corporation Code.

This Information Statement, Management Report, Annual Report and other pertinent reports will not be distributed in physical form to the Company's shareholders. Instead the Company will use an authorized and alternative mode of distribution which is to publish the said Information Statement and reports through the Company's website https://metroglobalholdings.com/ and the PSE Edge portal via https://edge.pse.ph.

The approximate date in which the Information Statement is first to be sent or given to security holders is on or before 13 September 2023.

In addition, the Notice of Meeting will be published in the business section of two (2) newspapers of general circulation in print and online format for two (2) consecutive days with the last publication at least 21 days prior to the Meeting.

Item 2. Dissenters' Right of Appraisal

As provided in Title X of the Revised Corporation Code of the Philippines, a shareholder has the right to dissent and demand payment of the fair value of his shares in the following instances:

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

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

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

(4) In case of any investment of corporate funds for any purpose other than the primary purpose of the corporation (Sec. 80)

A dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken, provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder of the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made, provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

From the time of demand for payment of the fair value of a stockholder's shares until the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend rights shall immediately be restored.

No demand for payment may be withdrawn unless the corporation consents thereto.

If, however, such demand for payment is withdrawn with the consent of the corporation, or if the proposed corporate action is abandoned or rescinded by the corporation or disapproved by the SEC where such approval is necessary, or if the SEC declares such stockholder in not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of the shares shall cease, the status as stockholder shall be restored and all dividend distributions which would have accrued on the shares shall be paid to the stockholder.

The cost and expenses of appraisal shall be borne by the corporation, unless the fair value ascertained by appraisers is approximately the same as the price which the corporation may have offered to the stockholder, in which case they shall be borne by the latter. In the case of an action to recover such fair value, all costs and expenses shall be assessed against the corporation, unless the refusal of the stockholder to receive payment was unjustified.

Within ten (10) days after demanding payment for shares held, a dissenting stockholder shall submit the certificates of stock representing the shares to the corporation for notation that such are dissenting shares. Failure to do so shall, at the option of the corporation, terminate the rights of such dissenting stockholder. If shares represented by the certificates bearing such notation are transferred, and the certificates consequently cancelled, the rights of the transferor as a dissenting stockholder shall cease and the transferee shall have all the rights of a regular stockholder; and all dividend distributions which would have accrued on such shares shall be paid to the transferee.

For this Annual Meeting, however, no matter will be presented for stockholders' approval that may give rise to the exercise of a right of appraisal.

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

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

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof:

(a) Number of Shares Outstanding as of 30 July 2023

Common Shares 2,000,000,000

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

All stockholders of record as of 12 September 2023 are entitled to notice of and to vote at the Annual Meeting

(c) Manner of Voting

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

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

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

i. Security ownership of Record and Beneficial owners owning more than Five Percent (5%) of any class of the Company's voting securities as of 30 July 2023:

Title Of Class	Name and address of Record Owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (Based on total shares)
Common	Fil-Estate Management, Inc.[1] Mezzanine Floor Renaissance Tower, Meralco Ave. Ortigas, Pasig City	Fil-Estate Management, Inc.[2]	Filipino	1,759,750,194	87.988%

[1] Fil-Estate Management, Inc. ("FEMI") is the parent of the Company.
[2] Under the By-Laws and Revised Corporation Code, the FEMI Board has the power to decide how FEMI's shares are to be voted.

Common	PCD Nominee Corp. (Filipino)[3] 6/F MKSE Bldg. Ayala Avenue, Makati City	PCD participants acting for themselves or for their customers[4]	Filipino	100,564,633	5.028%

PCD Nominee Corporation has various beneficial owners. PCD Nominee Corporation operates as a subsidiary of Philippine Central Depository and provides highly efficient system for securities settlement for Metro Global Holdings Corporation, majority holder of which is Abacus Securities Corporation, with 2.38% of the total shares. Tower Securities, Inc. followed at 1.47% of the total 100,564,633 shares and the rest of the owners has below 1% ownership. As to date of this preliminary report the authorized person to vote is not yet known.

ii. Security Ownership of Management

As of 30 July 2023, the Directors and Executive Officers of the Corporation are the beneficial owners of the following number of shares:

Title of Class	**Name of Beneficial Owner**	**Amount and Nature of Beneficial Ownership**	**Citizenship**	**Percent of Class (of total outstanding shares)**
Directors				
Common	Robert John L. Sobrepena	241,000 (direct)	Filipino	.013%
Common	Ferdinand T. Santos	1,000 (direct)	Filipino	.000%
Common	Noel M. Cariño	1,506,500 (direct)	Filipino	.075%
Common	Jaime Cacho	1 (direct)	Filipino	.000%
Common	Alice Odchigue-Bondoc	1 (direct)	Filipino	.000%
Common	Roberto S. Roco	1 (direct)	Filipino	.000%
Common	Rafael Perez de Tagle Jr.	1,000 (direct)	Filipino	.000%
Common	Francisco C. Gonzalez	1,000 (direct)	Filipino	.000%
Common	Jose Wilfrido M. Suarez	1 (direct)	Filipino	.000%
Other Executive Officers:				
Common	Gilbert Raymund T. Reyes ITF for various shareholders	1,903,514 (indirect)	Filipino	.095%
Common	Solita S. Alcantara	15,000 (direct)	Filipino	.000%
	TOTAL	3,669,018		.183%

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

[3] PCD is not related to the Company.
[4] Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The Company has no record relating to the power to decide how the shares held by PCD are to be voted.

All other executive officers not listed above, do not own any share of the Company.

iii. Voting Trust Holders of 5% or more

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

iv. Changes in Control

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

v. Foreign Ownership level as of 30 July 2023

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

Item 5. Directors and Executive Officers as of 30 July 2023

(a) Board of Directors

Name, Age, Citizenship	Position	Period Served	Professional and Business Experience
Robert John L. Sobrepeña, 69, Filipino	Chairman of the Board	1996 to present	Chairman of the Board of the Company. He is the Chairman of the Board of Fil-Estate Management, Inc., Metro Rail Transit Corporation, MRT Development Corporation, Monumento Rail Transit Corporation, CJH Development Corporation, CJH Hotel Corporation, CJH Suites Corporation, CJH Leisure, Inc., Club Leisure Management Corporation, Metro Countrywide Corporation, Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, Metro Renewable Transport Solution, Inc., MGHC Royalty Holdings Corporation and Philippine Highlands Coffee Farms, Inc.. He is also Vice-Chairman of Southwoods Ecocentrum Corporation. He is likewise the Chairman of Manila Southwoods Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He is also President of The Forest Hills Golf & Country Club, Inc. He graduated with a Bachelor’s Degree in Science

			major in Psychology and Marketing from the De La Salle University in 1978.
Ferdinand T. Santos, 73, Filipino	President	1996 to present	President and Chief Risk Officer of the Company. He is also the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., MRT Development Corporation, Monumento Rail Transit Corporation, MGHC Royalty Holdings, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. He is a Director of Global-Estate Resorts, Inc. He is also the Chairman of the Forest Hills Golf & Country Club, Inc. He is likewise the President of Fairways & Bluewater Resort, Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He is also a Director of Metro Renewable Transport Solution, 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, 69, Filipino	Director	1996 to present	He is also a Director in Fil-Estate Management, Inc., Fil-Estate Development, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. He was past Chairman and currently serves as President of the Chamber of Real Estate and Builders Association (CREBA), an umbrella organization of various stakeholders in the construction, real estate and development industry, inclusive of architects, engineers, planners and other real estate broker's practitioners. He is Chairman of SunAsia, Inc., a renewable energy holding company. He is also Chairman of MegaWatt Solutions, Inc., a technology company pioneering in utilizing energy storage solutions. As CREBA President, he is Conferrer of the Dela Salle University Executive Development Program in Real Estate Management.
Jaime Cacho, 67, Filipino	Director	2018 to present	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, Metro Solar Power Solutions, Inc., and Metro Global Renewable Energy

			Corporation. He is a Director and Chief Operating Officer of Metro Renewable Transport Solution, Inc. He is also a Director of MRT Development Corporation and CJH Development Corporation. He is also concurrently, Head of Project Development and Management Services for Fil-Estate Management, Inc.. Mr. Cacho has over 41 years of top-level management and construction experience earned throughout his career.
Rafael Perez de Tagle, Jr., 68, Filipino	Director	2000 to present	He is also the Executive Vice-President of the Company and the Director for Investor Relations of the Company. He is also Chairman of Metro Countrywide Corporation and Vice-Chairman of Metro Solar Power Solutions, Inc. He is the President of CJH Leisure, Inc. and Club Leisure Management, Inc. He also serves as Director in Metro Rail Transit Corporation, Monumento Rail Transit Corporation, MRT Development Corporation, Fil-Estate Management, Inc., CJH Development Corporation, CJH Hotel Corporation, CJH Suites Corporation, Metro Global Renewable Energy Corporation and Metro Renewable Transport Solution, Inc.. He is also a Director of the Manila Southwoods Golf & Country Club, Inc., Camp John Hay Golf Club, Inc. and Forest Hills Golf & Country Club, Inc. He obtained his Bachelor of Arts major in Economics degree from De La Salle University in 1976, and is a committee Chairman of the Management Association of the Philippines (MAP).
Roberto S. Roco, 70, Filipino	Director	2004 to present	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 Odchigue-Bondoc, 56, Filipino	Director	2004 to present	Senior Vice President for Good Governance, Compliance Officer, Corporate Information Officer and Assistant Corporate Secretary of the Company. She is a Director of CJH Development Corporation. She is also the Senior Vice President for Corporate & Legal Affairs of the Company's parent company, Fil-Estate Estate Management, Inc. and affiliate companies. She is the Director for Corporate & Legal Affairs and Assistant Corporate Secretary of Camp John Hay Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. She is also the Chief Legal Officer and Corporate

			Secretary of Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, Metro Renewable Transport Solutions, Inc., MGHC Royalty Holdings Corporation and Metro Countrywide Corporation. She is also the Corporate Secretary of Club Leisure Management Corporation and CJH Leisure, Inc. She took her Bachelor of Science in Business Management major in Legal Management at Ateneo de Manila University and graduated Honorable Mention and Program 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 Gonzalez, 79, Filipino	Independent Director	2012 to present	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.
Jose Wilfrido M. Suarez, 73, Filipino	Independent Director	2022 to present	Over three (3) decades of Senior Management experience and presently does consulting works rendering services to clients on Risk Management, Safety and Security, Business Continuity, Disaster Preparedness, Security Audit among others. He also sits on the Board of Northern Manor Corporation and Northern Suites Corporation. He was the Senior Vice-President of Metro Rail Transit Development Corporation (MRTDC 1995-2003). He served as a Risk Management Consultant for Nestle Philippines Inc. (2005 – 2016). He also acted as consultant to Century Properties Group and Megaworld Corporation. Mr. Suarez is a reserve Lieutenant Colonel with the Philippine Air Force (PAF), Armed Forces of the Philippines (AFP). He is also a member of the Board of Trustees of the National Defense College of the Philippines Alumni Association (NDCPAAI) 2009-2022.

None of the directors work in the government as certified by the Assistant Corporate Secretary (Annex “E”).

(b) Executive Officers

Name, Age, Citizenship	Position	Professional and Business Experience
Robert John L. Sobrepeña, 69, Filipino	Chief Executive Officer	Chairman of the Board of the Company. He is the Chairman of the Board of Fil-Estate Management, Inc., Metro Rail Transit Corporation, MRT Development Corporation, Monumento Rail Transit Corporation, CJH Development Corporation, CJH Hotel Corporation, CJH Suites Corporation, CJH Leisure, Inc., Club Leisure Management Corporation, Metro Countrywide Corporation, Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, Metro Renewable Transport Solution, Inc., MGHC Royalty Holdings Corporation and Philippine Highlands Coffee Farms, Inc.. He is also Vice-Chairman of Southwoods Ecocentrum Corporation. He is likewise the Chairman of Manila Southwoods Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He is also President of The Forest Hills Golf & Country Club, Inc. He graduated with a Bachelor's Degree in Science major in Psychology and Marketing from the De La Salle University in 1978.
Ferdinand T. Santos, 73, Filipino	President	President and Chief Risk Officer of the Company. He is also the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., MRT Development Corporation, Monumento Rail Transit Corporation, MGHC Royalty Holdings, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. He is a Director of Global-Estate Resorts, Inc. He is also the Chairman of the Forest Hills Golf & Country Club, Inc. He is likewise the President of Fairways & Bluewater Resort, Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He is also a Director of Metro Renewable Transport Solution, 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).
Jaime Cacho, 67, Filipino	Senior Vice President for Project Development	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, Metro Solar Power Solutions, Inc., and Metro Global Renewable Energy Corporation. He is a Director and Chief Operating Officer of Metro Renewable Transport Solution, Inc. He is also a Director of MRT Development Corporation and CJH Development Corporation. He is also concurrently, Head of Project Development and Management Services

		for Fil-Estate Management, Inc. Mr. Cacho has over 41 years of top-level management and construction experience earned throughout his career.
Rafael Perez de Tagle, Jr., 68, Filipino	Executive Vice-President & Director for Investor Relations	He is also Chairman of Metro Countrywide Corporation and Vice-Chairman of Metro Solar Power Solutions, Inc. He is the President of CJH Leisure, Inc. and Club Leisure Management, Inc. He also serves as Director in Metro Rail Transit Corporation, Monumento Rail Transit Corporation, MRT Development Corporation, Fil-Estate Management, Inc., CJH Development Corporation, CJH Hotel Corporation, CJH Suites Corporation, Metro Global Renewable Energy Corporation and Metro Renewable Transport Solution, Inc. He is also a Director of the Manila Southwoods Golf & Country Club, Inc., Camp John Hay Golf Club, Inc. and Forest Hills Golf & Country Club, Inc. He obtained his Bachelor of Arts major in Economics degree from De La Salle University in 1976, and is a committee Chairman of the Management Association of the Philippines (MAP).
Alice Odchigue-Bondoc, 56, Filipino	Senior Vice President for Good Governance, Compliance Officer, Corporate Information Officer & Assistant Corporate Secretary	She is a Director of CJH Development Corporation. She is also the Senior Vice President for Corporate & Legal Affairs of the Company’s parent company, Fil-Estate Estate Management, Inc. and affiliate companies. She is the Director for Corporate & Legal Affairs and Assistant Corporate Secretary of Camp John Hay Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. She is also the Chief Legal Officer and Corporate Secretary of Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, Metro Renewable Transport Solutions, Inc., MGHC Royalty Holdings Corporation and Metro Countrywide Corporation. She is also the Corporate Secretary of Club Leisure Management Corporation and CJH Leisure, Inc. She took her Bachelor of Science in Business Management major in Legal Management at Ateneo de Manila University and graduated Honorable Mention and Program 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.
Ramon G. Jimenez, 64, Filipino	Chief Financial Officer	He is also the Vice-President – Comptroller of Fil-Estate Management, Inc. He is a Director in Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, Metro Renewable Transport Solution, Inc., MGHC Royalty Holdings Corporation, Metro Countrywide Corporation, Metro Countrywide Holdings, Inc., CJH Development Corporation, Camp John Hay Leisure, Inc., Club Leisure Management Corporation, Fil-Estate Realty Corporation, Metro Rail Transit Corporation and MRT

		Development Corporation. He is a Certified Public Accountant and graduated with a degree in Bachelor of Science in Commerce major in Accounting at the Polytechnic University of the Philippines.
Atty. Gilbert Raymund T. Reyes, 65, Filipino	Corporate Secretary	He is a founding partner of the Poblador Bautista and Reyes Law Offices. He is also the Corporate Secretary of CJH Development Corporation, CJH Hotel Corporation, and CJH Suites Corporation. He graduated with a degree in Bachelor of Science in Biology from the University of the Philippines in 1979. He also holds a Bachelor of Laws degree from the University of the Philippines College of Law, graduated Magna Cum Laude in 1983.
Solita S. Alcantara, 62, Filipino	Chief Audit Executive	She concurrently holds the position of Vice President for Internal Audit of Fil-Estate Management, Inc. (FEMI) and affiliate companies. She is a Certified Internal Auditor and a Certified Public Accountant with over 30 years of solid experience in internal audit, accounting, treasury and budgeting. She graduated with a degree in Bachelor of Science in Commerce major in Accounting from Polytechnic University of the Philippines in 1981. She has earned units of Master's Degree in Business Administration from De La Salle University.
Sylvia M. Hondrade, 54, Filipino	Vice-President for Business Development & Special Projects	She is a Director in Metro Countrywide Corporation, Metro Countrywide Holdings, Inc., Metro Solar Power Solutions, Inc. and Metro Global Renewable Energy Corporation. She is currently a member of the Board and Vice-President for Business Development Division of Camp John Hay Development Corporation. She is a business development and corporate planner with more than 20 years of experience in the real estate industry. She was Assistant Vice-President for Business Development of Fil-Estate Properties, Inc. from 1997 to 2007 before she became Vice-President for the same department from 2007 to 2011. She was been seconded with affiliated companies such as Fil-Estate Urban Development Corporation and Harbortown Development Corporation from 1997 up to 2011. She did consultancy work and lectured on corporate and project planning, market and financial feasibility studies for businesses, NGOs and local government clients. She completed a Master’s Degree in Development Planning from the University of Queensland and a Master’s Degree in Corporate Planning from the University of Asia and the Pacific. She has a BA Degree in Economics and Management from the University of the Philippines in the Visayas.

Socorro G. Roco, 61, Filipino	Vice-President for Records Management	She concurrently holds the position of Vice-President and Head of Treasury of Fil-Estate Management Inc. She was formerly AVP for Loans and Investments of Fil-Estate Properties, Inc. and Head of Loans and Investments of Global-Estate Resorts, Inc. She earned her college degree in the University of the East, Manila with a degree of Bachelor of Science in Business Administration major in Accounting.
Khateryn M. Benitez, 45, Filipino	Vice-President for Human Resources	She is a licensed psychometrician with over 20 years of solid experience in all facets of human resources. Prior to joining the Company, she was the HR Manager of Global Estate Resorts, Inc. (formerly, Fil-Estate Land, Inc.) In 2011, she joined Fil-Estate Management, Inc. which she is concurrently the VP & Head of Human Resources. She graduated Cum Laude from Centro Escolar University with a bachelor's degree in Science in Psychology. She completed her Certificate in Industrial Relations and Human Resource Relations at University of the Philippines in Diliman in 2009. She earned her Diploma in Human Resource Management at the University of Asia & the Pacific (UA&P) in 2011.

None of the executive officers work in the government as certified by the Assistant Corporate Secretary (Annex "E").

(c) Involvement in Certain Legal Proceedings

The Company or its subsidiaries or affiliate companies are not parties to any material pending legal proceedings. The Company has no knowledge of any of the following events that occurred during the past five (5) years up to the date of this report which are material to an evaluation of the ability or integrity of any director or executive officer:

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

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

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

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

(d) Nomination of Directors

Under the Section 2, Article III of the By-laws of the Corporation, the nomination of directors, including independent directors, shall be conducted by the Nomination Committee (which as of 30 July 2023 is composed of Jose Wilfrido M. Suarez as Chairman, Rafael Perez de Tagle Jr., Jaime M. Cacho and Alice O. Bondoc as members) at least thirty (30) days prior to the date of the Annual Meeting. All recommendations shall be signed by the stockholders making the nomination and should have the written acceptance and conformity of the nominees.

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

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

Section 1, Article III of the By-Laws of the Corporation provide that the business and property of the Corporation shall be managed by a Board of nine (9) directors who shall be stockholders and who shall be elected at each annual meeting of the stockholders in the manner provided therein for a term of one (1) year and shall serve until their

successors are elected and duly qualified. At all times, at least two (2) Directors shall be independent directors, as the term is defined by law or regulation, or such number of independent directors as to constitute at least twenty percent (20%) of the members of the Board, whichever is lesser. Twenty percent (20%) of nine directors results to an allocation of one board seat for an independent director.
Written nominations for the position of director of the Corporation are accepted until the close of business hours on September 8, 2022. A shareholder of the Company, Mr. Jaime V. Borromeo has nominated the following for re-election as directors of the Company for the ensuing year: Robert John L. Sobrepena, Ferdinand T. Santos, Noel M. Carino, Rafael Perez de Tagle Jr., Jaime M. Cacho, Alice Odchigue-Bondoc, Roberto S. Roco, Francisco Gonzalez and Jose Wilfrido M. Suarez with the last two nominees as independent directors of the Company.

Mr. Borromeo is not related to any of the nominees for regular directors and independent directors.

In the meeting held on 25 August 2023, the Nomination Committee determined that all of the above nominees possess the qualifications and none of the disqualifications as directors provided in the Code of Corporate Governance and the new Manual on Corporate Governance. In addition, the Committee evaluated the nominees for Independent Director and certified that they are duly qualified in accordance with the Securities Regulation Code. The Certificates of Qualification of the Independent Directors is attached to this Information Statement as Annex “D”.

None of the nominee directors work in government as certified by the Assistant Corporate Secretary of the Company in Annex “E”.

(e) Significant Employees

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

(f) Family Relationships

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

(g) Independent Directors

As of 30 July 2023, Messrs. Francisco Gonzalez and Jose Wilfrido M. Suarez are the Company's incumbent Independent Directors. They are neither officers nor substantial shareholders of the Company.

(h) Certain Relationship and Related Transactions

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

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

The Company has no transactions with its directors. Significant transactions with related parties are described in detail in Note 14 of the Notes to the Company's Financial Statements as of 31 December 2022.

The foregoing information addresses the requirement of Section 49 of the Revised Corporation Code to disclose the directors' self-dealings and related party transactions with the Company.

(i) Ownership Structure and Parent Company

The parent company of the Company is Fil-Estate Management, Inc. which as of 30 July 2023 owns 87.988% of the total outstanding voting shares of the Company.

(j) Resignation of Directors

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

Item 6. Compensation of Directors and Executive Officers

(a) General

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

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

The Company plans to compensate its Chief Executive, Officers and Directors for any and all services rendered in 2022 and prior years. The amount of compensation is to be determined and will be subject to the approval by the BOD.

(b) Summary Compensation Table

	Name & Position	**Year**	**Salary**	**Bonus**	**Other Annual Compensation**	**Total**
A.	The CEO and four (4) most highly compensated executive officers Robert John L. Sobrepena, Chief Executive Officer Atty. Ferdinand T. Santos, President Rafael R. Perez de Tagle, Jr., Executive Vice President Atty. Alice O. Bondoc, SVP for Good Governance, Compliance Officer Ramon G. Jimenez, Chief Financial Officer	2023 (Estimated)	18.79 Million	-	-	18.79 Million
B.	All other officers and directors as group unnamed	2023 (Estimated)	5.76 Million	-	-	5.76 Million

	Name & Position	Year	Salary	Bonus	Other Annual Compensation	Total
A.	The CEO and four(4) most highly compensated executive officers Robert John L. Sobrepena, Chief Executive Officer	2022	17.71 Million	-	-	17.71 Million

	Atty. Ferdinand T. Santos, President Rafael Perez De Tagle, Jr., Executive Vice President Atty. Alice O. Bondoc, SVP for Good Governance, Compliance Officer Ramon G. Jimenez, Chief Financial Officer					
B.	All other officers and directors as group unnamed	2021	3.12 Million	-	-	3.12 Million

	Name & Position	Year	Salary	Bonus	Other Annual Compensation	Total
A.	The CEO and four(4) most highly compensated executive officers Robert John L. Sobrepena, Chief Executive Officer Atty. Ferdinand T. Santos, President Rafael Perez De Tagle, Jr., Executive Vice President Atty. Alice O. Bondoc, SVP for Good Governance, Compliance Officer Ramon G. Jimenez, Chief Financial Officer	2021	15.56 Million	-	-	15.56 Million
B.	All other officers and directors as group unnamed	2021	6.26 Million	-	-	6.26 Million

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

The total annual compensation of the top highly compensated executives amounted to P18.79 million in 2023, P17.71 million in 2022 and P15.56 million in 2021. The projected total annual compensation for the current year is P20.3 million.

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

For the year 2022, the total per diem received by the non-executive directors and independent directors of the Group, are as follows:

Name of Director	Amount (in Php)	
Noel M. Cariño	Php	33,333
Francisco C. Gonzalez*		77,777
Roberto S. Roco		57,895
Jose Wilfrido M. Suarez*		22,222
Total	**Php**	**191,227**

**independent director*

(c) Compensation of Directors and Executive Officers

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

(i) Standard Arrangements.

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

(ii) Other Arrangements.

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

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

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

(e) Warrants and Options Outstanding:

The Company has not issued any warrants, stock options or stock rights plan and there are no outstanding warrants or options or rights plan held by the Company's CEO, all current executive directors, all current directors as a group who are not executive officers, all nominees for directors, the 4 highest paid executive officers, all current executive officers as a group and all other employees as a group.

Item 7. Independent Public Accountant

The external auditors of the Group for the years ended December 31, 2022 and 2021 is the accounting firm of Isla Lipana & Co.

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

A representative from Isla Lipana & Co. will attend the stockholders' meeting and will be available to respond to appropriate questions during the meeting. Furthermore, Isla Lipana & Co. has an opportunity to make a statement, if they desire to do so.

(a) Audit and Audit Related Fees:

The aggregate fees billed for each of the last three (3) calendar years for professional services rendered by the external auditors are ₱650,000.00 2020 to 2022 (exclusive of Value Added Tax).
These fees cover services rendered by the external auditors for the audit of the Group's Statements of Financial Position and the related statements of income, statements of changes in stockholders' equity and cash flows based on a test basis, evidence supporting the amount and disclosures in the Financial Statements, assess the accounting principles used and significant estimates made by management and evaluate the overall financial statement presentation.

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

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

(b) Tax Fees:

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

(c) All Other Fees:

MGHC paid P22,948 in 2022 and P23,440 in 2021, respectively (exclusive of VAT) representing transportation, meal, postage and antigen testing in connection with audit of the Company's Financial Statements.

(d) The Audit Committee's Approval Policies and Procedures for the above services

Audit fees are approved based on the estimate of the actual time needed for professional work to complete the standard scope of services of an audit. The estimates also take into account any special accounting considerations and the experience level of the professional team members involved in the engagement.
The Audit Committee reviews the requirements of the Company for audit and audit related services and approves the fees prior to the auditor undertaking the work. Such services and fees are presented by the Audit Committee for approval by the Board.

The audit findings are presented to the Group's Audit Committee which reviews and makes recommendations to the Board on actions to be taken thereon. The Board passes upon and approves the Audit Committee's recommendations.
The members of the Audit Committee a,re as follows (as of 30 July 2023):

1. Francisco Gonzalez - Chairman (Independent Director)
2. Jose Wilfrido M. Suarez- Member (Independent Director)
3. Roberto Roco - Member
4. Solita Alcantara - Member

The financial statements are approved by the Board before release, based on recommendations by the Audit Committee.

Item 8. Compensation Plans

No matters or actions with respect to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed will be taken up during the meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities other than for Exchange**/** Issuance of One Billion Two Hundred Fifty Million (1,250,000,000) Shares to Fil-Estate Management, Inc. via Debt-to-Equity Conversion

(a) State the title and amount of securities to be authorized or issued

To be presented for consideration and approval of the stockholders is the proposal to increase the authorized capital stock from Five Billion Pesos (P5,000,000,000.00) with a par value of One Peso (P1.00) per share to Ten Billion Pesos (P 10,000,000,000.00) with a par value of One Peso (P1.00) per share.

In support of the foregoing, its parent company, Fil-Estate Management, Inc. (FEMI) will initially pay 25% of the total subscription price of One Billion Two Hundred Fifty Million Pesos (P1,250,000,000.00), or Three Hundred Twelve Million Five Hundred Thousand Pesos (P312,500,000.00). Two Hundred Ten Million Pesos (P210,000,000.00) will be paid by way of debt-to-equity conversion and the balance of One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00), through the application of its deposit for future subscription amounting to One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00).

All the new common shares to be issued in support of the proposed increase in capital shall have the same dividend, voting, pre-emptive and other shareholder rights as the existing issued common shares.

(c) Description of the Transaction in which the Securities are to be Issued

The One Billion Two Hundred Fifty Million (1,250,000,000) new common shares to be issued to Fil-Estate Management, Inc. has been negotiated to reduce a portion of the outstanding debt of the Company to its parent company to the extent of Two Hundred Ten Million Pesos (P210,000,000.00). As agreed with Fil-Estate Management, Inc., the debt-to-equity conversion contemplated a subscription price of One Peso (P1.00) per share.

The balance of One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00) will be paid through the application of its deposit for future subscription amounting to One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00).

The deposit for future subscription will be recorded in the books of the Company once the Confirmation of Valuation request of the Company is confirmed by the SEC which as of June 30, 2023 has not yet been received.

The Company has a pending application with SEC-CRMD for Confirmation of Valuation on the subscription of FEMI to P250 million shares of the Company. The payment to the Company is in the form of 100% outstanding shares of stock of FEMI in METRO SOLAR POWER SOLUTIONS, INC., a special purpose vehicle company which has a subsisting Service Contract from the Department of Energy for a 65 MW solar plant in Pililia, Rizal and which solar company which has a net asset value of P352 million per appraisal of Santos Knight Frank, Inc., an independent appraiser accredited by the SEC. Thus, there will be an excess payment by FEMI to the Company in the amount of P102M which the Company and FEMI agreed will be booked as deposit for future subscriptions of FEMI to future new share issuances of the Company once the Confirmation of Valuation request of the Company is confirmed by the SEC.

A more detailed description of the transaction is provided in the Comprehensive Corporate Disclosure attached as Annex “H” of this Information Statement.

(d) Reason for the Proposed Increase in Capital Stock and Issuance of Shares

The proposed increase in Capital Stock will be used to fund the renewable and waste to energy projects of the Group.

The Corporation shall comply with the requirements of law with respect to the issuance and listing of new shares to support the proposed increase in capital.

The proposed transaction is part of the overall plan of the Company to position itself for the post-pandemic environment, which upon completion, is expected to enhance the shareholder value of the Company, and thereby ultimately redounding to the benefit of all stockholders of the Company.

(e) Describe any provision in the charter or by-laws that would delay, defer or prevent a change in control of the Corporation

Article Seventh of the Corporation’s Articles of Incorporation denies stockholders of the Corporation of their pre-emptive right to subscribe to any new issuance of shares whether from the existing authorized capital stock or from an increase thereof. In any event, the Philippine Stock Exchange does not permit the listing of shares subscribed by related parties unless a rights offering or public offering is first undertaken. To be submitted for approval of the minority stockholders is the proposal to waive the requirement for a rights or public offering.

Item 10. Modification or Exchange of Securities

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

Item 11. Financial and Other Information

Audited Financial Statement and Interim Financial Statements

The Audited Financial Statements as of December 31, 2022 and December 31, 2021 certified by Mr. Dennis M. Malco, (Annex "A-1") Partners, of Isla Lipana & Co., are attached hereto. The Statement of Management's Responsibility and the Schedules Required under Part IV (C) of Rule 48 are included in the Annual Report (Form 17-A) (Annex "A-1").

The 2nd Quarter Interim Financial Statements for the Quarter ended June 30, 2023 are also attached hereto (Annex "A-4").

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

Mr. Dennis M. Malco was designated as handling partner for the audit of the financial statements of the Group for the year ended December 31, 2022 and December 31, 2021, he is from the accounting firm, Isla Lipana & Co.

In compliance with SEC Memorandum Circular No. 8, Series of 2003, which was subsequently incorporated in SRC Rule 68, paragraph 3(b)(iv), and the Company's Manual of Corporate Governance, which require that the Company's external auditor be rotated or the handling partner changed every five (5) years or earlier, the Board of Directors of the Group, in consultation with the Audit Committee will recommend to the stockholders the re-engagement of Isla Lipana & Co. as external auditors of the Group for the year ending December 31, 2023.

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

Attendance of Accountants at the Meeting

Representatives of Isla Lipana & Co, the Group's external auditors for the calendar year ended December 31, 2022, are expected to be present at the Annual Stockholders' Meeting scheduled on 12 October 2023. Said external auditors will be given the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions on the Group's Financial Statements.

BUSINESS AND GENERAL INFORMATION

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 corporation or other enterprises. The Company was listed in the Philippines Stock Exchange (PSE) on May 4, 1964.

In July 1996, the Board of Directors (BOD) and the stockholders of the 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: and (b) the increase in the Company's authorized capital stock from ₱300.0 million, divided into 30.0 billion shares with par value of ₱0.01 per share, to ₱2 billion, divided into 2 billion shares with a par value of ₱1.00 per share; and (c) the declassification of Class A and B common shares to a single class of common share.

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

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

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

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

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

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

On May 19, 2017, the 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 very 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 Company, the stockholders representing 2/3 of the outstanding capital stock of the Company, approved the Increase in the Capital Stock of the Company from P2 billion to P5 billion, with the, Fil-Estate Management, Inc. subscribing to the said increase to the extent of ₱750,000,000.00. The increase is pending approval with the Securities and Exchange Commission as of July 30, 2023.

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

In line with the new business directions the Company intends to pursue, the Company has entered into an Agreement last November 20, 2018 with its parent company, Fil-

Estate Management, Inc. (FEMI's), for the acquisition by the Company of FEMI's 100% equity stake in Metro solar Power Solutions. Inc. (Metro Solar), a power company with an existing 65 megawatt solar farm project in Pililia, Rizal. The stockholders of the Company likewise have approved this transaction during the Annual Meeting of November 22, 2018, subject to mutually acceptable valuation of the project to be determined by an independent appraiser.

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

On August 25, 2020, the 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 Company has voluntarily suspended the trading of its securities to allow the Company to re-align its business and explore new strategic directions.

PLAN OF OPERATION

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 its associate, Monumento Rail.

The Parent Company plans to continue its strategy of maintaining itself as a holding corporation with key investments in the form of equity interests in MRTHI and MRTHII. The combined investments in these two holding companies represent approximately 29% interest in the MRT 3 Systems 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.

<u>Proposed increase in Authorized Capital Stock</u>

The Company has a pending application with the Securirties and Exchange Commission 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.

Fil-Estate Management, Inc. (FEMI) subscribed to 25% of the planned increase in capitalization, or 750,000,000 shares at ₱1.00 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 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) share 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 Company. The stockholders also approved the subscription of FEMI to Seven Hundred Fifty Million (750,000,000) common shares of the Company at par value of P1.00 per share with part of subscription price to the extent of Five Hundred Million Pesos (₱500,000,000.00) to be offset against the Company's advances from its parent company, 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 via assignment to the Company of shares of FEMI in Metro Solar Power Solutions, Inc. (Metro Solar).

The projected comparative Stockholders Equity balances as of July 30, 2023, before and after issuance to FEMI of the 750 million shares, follows:

	June 30, 2023	
	Before Issuance	**After Issuance**
Capital Stock	**1,998,553,181**	**2,748,553,181**
Additional paid-in capital	**589,120,804**	**589,120,804**
Cumulative Market Adjustment	**1,747,307**	**1,747,307**
Retained Earnings	**51,382,821**	**51,382,821**
STOCKHOLDERS' EQUITY	**2,640,804,113**	**3,390,804,113**

As of July 30, 2023, the application for increase in authorized capital stock to P5,000,000,000.00 is pending with the SEC.

Expansion of the Company's primary purpose

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

On November 20, 2018, the Board authorized the Company to enter into a Memorandum of Agreement with its parent company, Fil-Estate Management Inc. (FEMI) whereby the Company shall purchase the Two Hundred Fifty Thousand (250,000) shares of common stock of FEMI in Metro Solar Power Solutions Inc. (Metro Solar). Metro Solar is a stock corporation registered with the Securities and Exchange Commission (the "SEC") with SEC registration No. CS201622607 issued on September 28, 2016. Metro Solar's principal activity is to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.

Such shares issued by Metro Solar to FEMI represent 100% of the entire issued and outstanding capital stock of Metro Solar. As per agreement with FEMI, the consideration in the value of the Metro Solar shares will be determined based on an appraisal report to be prepared by an independent appraiser. The Company engaged Santos Knight Appraisers to determine the valuation of the Metro Solar Shares. In the valuation report of Santos Knight Appraisers dated 31 March 2023, the appraisers determined an enterprise value of P352,000,000.00 for Metro Solar.

The shares that the Company will issue to FEMI of 250,000,000 common shares of the Company in exchange for the Metro Solar shares will come from the proposed P3 billion (₱3,000,000,000.00) increase in authorized capital stock of the Company. The excess in value of the Metro Solar shares shall be recorded as deposit for future subscription by FEMI in new shares issuances of the Company in the future.

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

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

Operations for the Next Twelve months

The 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 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 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 Company plans to raise the needed funds to finance this project through private placements and the eventual resumption of the trading of its shares at the PSE.

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

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

Item 12. Mergers, Consortiums, Acquisitions and Similar Matters

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

Item 13. Acquisition or Disposition of Property

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

Item 14. Restatement of Accounts

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

D. <u>OTHER MATTERS</u>

Item 15. Action with Respect to Reports

(a) Reading and Approval of the Minutes of the 2022 Annual Stockholders' Meeting

The minutes of the previous meeting of the stockholders held on 09 December 2022 will be presented for approval at the 2023 Annual Stockholders' Meeting. The following were the significant matters discussed at the said meeting, to wit:

(i) The stockholders approved the Minutes of the Annual Meeting of Stockholders held on 14 December 2021. The Company received votes in person and by proxy a total of 87.99% of common shares in favor of the approval of the Minutes of the Annual Meeting of Stockholders held on 14 December 2021.

(ii) The stockholders approved the Annual Report and Audited Financial Statements of the Company for the calendar year ended 31 December 2021. The Company received votes in person and by proxy a total of 87.99% of common shares in favor of the approval of the Audited Financial Statements of the Company for the calendar year ended 31 December 2021.

(iii) 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 2021 up to 9 December 2022. The Company received votes in person and by proxy a total of 87.99% 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 2021 up to 9 December 2022.

(iv) 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 87.99% 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 2022 to 2023.

(v) The stockholders re-elected the Board of Directors for the ensuing year 2022 – 2023.

A copy of the draft Minutes of the 2022 Annual Stockholders' Meeting was uploaded in the Corporation's website on 24 August 2023. The Minutes were prepared in accordance with the requirements of Section 49 of the Revised Corporation Code and are herein attached as Annex "F".

(b) Approval of the Annual Management Report and Audited Financial Statement on the Results of Operations for the year 2022

A report on the significant business transactions undertaken and achievements by the Corporation in 2022 will be presented to the stockholders. Included in the Management Report is the Corporation's performance for the year 2022 in compliance with Section 49 of the Revised Corporation Code which requires a presentation to the stockholders of a descriptive, balance and comprehensible assessment of the Corporation's performance and a financial report for the preceding year. The Audited Financial Statements for the period ending 31 December 2022 of the Corporation are reflected in the accompanying Annual Report (Annex "A").

Item 16. Matters Not Required to be Submitted

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

Item 17. Amendment of Charter, Bylaws or Other Documents

(a) Amendment of Articles of Incorporation for Increase in Capital Stock

In its meeting held on 4 August 2023, the Board approved the amendment of the Articles of Incorporation to increase its authorized capital stock from Five Billion Pesos (P5,00,000,000.00) with a par value of One Peso (P1.00) per share to Ten Billion Pesos (P10,000,000,000.00) with a par value of One Peso (P1.00) per share. The application for this increase in capital stock shall be submitted for the approval at the Securities and Exchange Commission (SEC) after the pending application for increase of the Company's capital stock from Two Billion Pesos (P2,000,000,000.00) with par value of One Peso (1.00) per share to Five Billion Pesos (P5,000,000,000.00) with par value of One Peso (P1.00) shall have been approved by the SEC.

The details of the proposed increase in authorized capital stock are in Item 9 above.

In support of said new capital increase, its parent company, Fil-Estate Management, Inc. (FEMI) will initially pay 25% of the total subscription price of One Billion Two Hundred Fifty Million Pesos (P1,250,000,000.00), or Three Hundred Twelve Million Five Hundred Thousand Pesos (P312,500,000.00). Two Hundred Ten Million Pesos (P210,000,000.00) will be paid by way of debt-to-equity conversion and the balance of One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00), through the application of its deposit for future subscription amounting to One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00). Upon conclusion of the capital hike, FEMI will own 93.99% of the outstanding capital stock of the Corporation.

Assuming the aforementioned proposal to the new increase in the capital of the Corporation is approved by the stockholders, the Articles of

Incorporation of the Corporation, specifically Article Seventh thereof, should be amended to reflect the same.

(b) Amendment of By-Laws

In its meeting of 4 August 2023, the Board approved the amendment of the following provisions in the By-laws of the Company:

a. Section 2, Article V

Submitted for consideration of the stockholders is the proposal to amend Section 2, Article V of the By-Laws to change the date of the Annual Meeting to last Thursday of July each year instead of last Thursday of March each year to allow the Company to finish its Annual Audited Financial Statement (AFS) before the Annual Meeting with stockholders.

b. Sections 3, 4, 6 and 7, Article V

Likewise, proposals to amend Article V, Sections 3, 4, 6 and 7 of the Company's Amended By-Laws will be submitted to the shareholders for approval to allow for attendance, participation and voting of shareholders via remote communication and voting *in absentia* as granted in Sections 49 and 57 of the Revised Corporation Code enacted last February 20, 2019.

To change the date of the regular Annual Meeting	
Present provision in the By-laws	Proposed Amendments to the By-laws
ARTICLE V MEETINGS Section 2. Meetings of stockholder may be regular or special, and shall be held at the office of the Corporation in Metro Manila. Annual regular meetings shall be held on the first Thursday of March of each year, if such day be not a holiday, otherwise, they shall be on the first working day after such date. Special meetings of stockholders may be held at any time by resolution of the Board of Directors or at the request of stockholders representing at least one-third (1/3) of the subscribed and outstanding capital, setting forth the purpose of such meeting in the notice.	ARTICLE V MEETINGS Section 2. Meetings of stockholder may be regular or special, and shall be held at the office of the Corporation in Metro Manila. Annual regular meetings shall be held on the **last** Thursday of **July** of each year, if such day be not a holiday, otherwise, they shall be on the first working day after such date. Special meetings of stockholders may be held at any time by resolution of the Board of Directors or at the request of stockholders representing at least one-third (1/3) of the subscribed and outstanding capital, setting forth the purpose of such meeting in the notice.

To allow for attendance, participation and voting of shareholders via remote communication and voting *in absentia*

Present provision in By-laws	Proposed amendments in the Bylaws
ARTICLE V MEETINGS Section 3. Regular or Special Meetings of Stockholders shall be called by written notice sent thru the post office, or messengerial services, addressed to each stockholder at the latter's address appearing in the registry book of the Corporation, not less than ten (10) days prior to the date of such meeting; provided, however, that this requisite may be waived in writing by the stockholders. Publication of notice of meeting in the newspapers in lieu of the written notice shall be allowed when necessary. Notices of regular or special meeting shall contain, in addition to the date, hour and place of meeting, a statement of the matters to be taken up at such meeting.	ARTICLE V MEETINGS Section 3. Regular or Special Meetings of Stockholders shall be called by written notice sent thru **electronic email**, the post office, or messengerial services, addressed to each stockholder at the latter's address appearing in the registry book of the Corporation, not less than **twenty-eight (28)** days prior to the date of such meeting; provided, however, that this requisite may be waived in writing by the stockholders. **The requirement for notice to the meeting shall be deemed waived if the stockholder shall be present thereat, whether in person, by proxy or via remote communication, or shall have participated in voting *in absentia*.** Publication of notice of meeting in the newspapers in lieu of the written notice shall be allowed when necessary. Notices of regular or special meeting shall contain, in addition to the date, hour and place of meeting, a statement of the matters to be taken up at such meeting.
Section 4. A majority of the subscribed capital, present in person or represented by proxy, shall be required at every meeting to constitute a quorum for the election of directors and for the transaction of any business whatsoever except in those cases in which the Corporation Code requires the affirmative vote of a greater proportion.	Section 4. A majority of the subscribed capital, present in person or represented by proxy, **or participating in the meeting via remote communication**, shall be required at every meeting to constitute a quorum for the election of directors and for the transaction of any business whatsoever except in those cases in which the **Revised** Corporation Code requires the affirmative vote of a greater proportion. **Stockholders casting their**

In the absence of quorum, any officer entitled to preside or act as Secretary of such meeting, shall have the power to adjourn the meeting from time to time, until stockholders holding the requisite number of stock shall be present or represented. At such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called.	**votes *in absentia*, as may be provided for by the Board of Directors, shall also be deemed present for purposes of determining the existence of a quorum. Meetings of the stockholders may be conducted via remote communication, such as by teleconferencing or videoconferencing, subject to such guidelines as may be promulgated by the Securities and Exchange Commission.** In the absence of quorum, any officer entitled to preside or act as Secretary of such meeting, shall have the power to adjourn the meeting from time to time, until stockholders holding the requisite number of stock shall be present or represented. At such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called.
Section 6. Each share of stock entitles the person in whose name it is registered in the books of the Corporation to one vote, provided that shares have not been declared delinquent.	Section 6. **At each meeting of the stockholders, every stockholder shall be entitled to vote in person, by proxy or via remote communication or *in absentia*, electronically or otherwise, as may be provided for by the Board of Directors.** Each share of stock entitles the person in whose name it is registered in the books of the Corporation to one vote, provided that shares have not been declared delinquent.
Section 7. The election of Directors shall be by ballot when requested by a voting stockholder, and each stockholder entitled to vote may cast such number of votes to which the number of Directors to be elected, multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by	Section 7. The election of Directors shall be by ballot when requested by a voting stockholder, and each stockholder entitled to vote may cast, in person or by proxy or via remote communication or in absentia, electronically or otherwise, as may be provided for by the Board of Directors, such number of votes to which the number of Directors to be elected, multiplied by the number of his shares shall equal, or he may distribute them on

him shall not exceed the number of shared owned by him multiplied by the total number of Directors to be elected. (As amended on 23 September 2004) The Chairman shall appoint two tellers to supervise the election of Directors who shall hold office during the year following the date of their election. No candidate for the office of Director may hold office of the teller. Only nominees whose names appear in the Final List of Candidates issued by the Nomination and Election Committee shall be eligible for election as directors and independent directors. Nominations made after the issuance of the Final List of Candidates, or during the annual stockholders' meeting, shall not be allowed. (As amended on 23 September 2004)	the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shared owned by him multiplied by the total number of Directors to be elected. (As amended on 23 September 2004) The Chairman shall appoint two tellers to supervise the election of Directors who shall hold office during the year following the date of their election. No candidate for the office of Director may hold office of the teller. Only nominees whose names appear in the Final List of Candidates issued by the Nomination and Election Committee shall be eligible for election as directors and independent directors. Nominations made after the issuance of the Final List of Candidates, or during the annual stockholders' meeting, shall not be allowed. (As amended on 23 September 2004)

Item 18. Other Proposed Action

(a) Waiver of the Requirement to Conduct Public Offering for the Issuance of Shares To A Related Party

In support of the proposed increase in authorized capital stock, Fil-Estate Management, Inc. (the parent company of the Corporation shall subscribe to One Billion Two Hundred Fifty Million (1,250,000,000) new shares. Since the new shares will be issued to a related party, the Philippine Stock Exchange ("PSE") requires a rights or public offering prior to the listing of the new shares to be issued.

Section 9 of Article V, Part A of the Consolidated Listing and Disclosure Rules of the PSE (the "Listing and Disclosure Rules"), however, allows exemption from said rights or public offer provided a waiver of the same is approved by a majority vote, representing the outstanding shares held by the minority stockholders present or represented at a meeting.

In order to facilitate the listing of the shares to be issued to Fil-Estate Management, Inc., a proposal to waive the requirement to hold a rights or public offering of the shares is submitted for consideration of the minority stockholders at the Annual Stockholders' Meeting.

A copy of the Comprehensive Corporate Disclosure on the issuance of shares to Fil-Estate Management, Inc. is attached as Annex "H" of this Information Statement.

(b) Issuance of One Billion Two Hundred Fifty Million (1,250,000,000) Shares by Debt to Equity Conversion in favor of Fil-Estate Management, Inc.

Please see discussion on Item 9 of this Information Statement.

(*c*)Election of Directors, including the Independent Directors, for year 2022-2023;

(*d*)Election of external auditor;

(*e*) Ratification of acts, contracts and resolutions of the Board, the Board Committees and acts of officers and management from the previous stockholder's meeting up to the date of the Annual Meeting which were entered into or made in the ordinary course of business and transactions covered by appropriate disclosures with the Philippine Stocks Exchange and Securities and Exchange Commission, a summary of which are listed in Annex "I"

Item 19. Voting Procedures

(a) Every stockholder shall be entitled to one (1) vote for each share of stock standing in his name in the books of the Corporation, unless the law provides otherwise. Cumulative voting may be used in the election of the members of the Board of Directors.

(b) Required Voting:

Agenda Item No.	Subject Matter	Vote Required
3	Reading and approval of the Minutes of the previous meeting and action therein	Affirmative vote of majority of the stockholders present.
4 & 5	Approval of Annual Management Report and Audited Financial Statements for the period ending 31 December 2022	Affirmative vote of majority of the stockholders present.

6	Ratification of All Acts, Transactions and Resolutions by the Board of Directors, Board Committees and Management	Affirmative vote of majority of the stockholders present.
7	Election of Directors	The nine (9) nominees garnering the highest number of votes shall be elected directors. The stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.
8	Appointment of External Auditor	Affirmative vote of majority of the stockholders present
9	Approval of Increase in Capital Stock from (P 5 Billion to P10 Billion and Amendment of Article Seventh of Articles of Incorporation	Affirmative vote of 2/3 of outstanding capital stock
10	Approval of Amendment of By-Laws Article V, Sections 2, 3, 4, 6, 7	Affirmative vote of 2/3 of outstanding capital stock

All votes will be counted and tabulated by the Corporate Secretary to be assisted by the Company's Stock and Transfer Agent.

The foregoing addresses the requirement of Section 49 of the Revised Corporation Code to disclose to the stockholders material information on the current stockholders and their voting rights.

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(c) Participation of Shareholders by Remote Communication

By decision of the majority of the Board of Directors, this year's Annual Meeting will be conducted virtually and there will be no physical venue for the meeting.

The platform for participation through webcast/ video conferencing (Remote Communication) for the Annual Meeting is via Zoom. Only stockholders of record as of September 12, 2023 and who have complied with the registration and validation process may participate and vote in absentia in the Annual Meeting. To enable the Company to perform validation procedures, identify the stockholders participating by remote communication and record their presence for purposes of quorum, stockholders as of Record Date who wish to participate in the Annual Meeting by remote communication and to vote in absentia may register by filling up the form that can be found at https://metroglobalholdings.com/asmregister/ Online registration will be open from September 13, 2023 at 9:00 A.M. to October 7, 2023 at 5:00 P.M.

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

Upon validation, stockholders as of Record Date who have successfully registered and have signified their intention to vote in absentia will receive an email containing the link for the Digital Ballot/ Online Voting System and the Instructions for casting online votes. Registered stockholders shall have until 5:00PM of October 7, 2023 to cast their votes. Stockholders may also vote by proxy by sending a scanned copy of a duly accomplished Proxy Form by email to investor-relations@metroglobalholdings.com not later than October 7, 2023. The hard copy of the signed Proxy Form should be delivered to: The Corporate Secretary, Poblador, Bautista, Reyes Law Offices, 5th Floor, SEDECO Building 1, 120 Rada Street, Legaspi Village, Makati City, 1229, not later than October 10, 2023.

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

Item 20. Statement of Management Responsibility and Audited Financial Statements

The Statement of Management Responsibility for the Corporation's and Separate Audited Financial Statements for the year ending 31 December 2022 are attached to the said Financial Statements which in turn are attached to this information Statement as **Annexes "A-1" and "A-2".**

Item 21. Management Report contained in Annual Report (SEC Form 17-A), Sustainability Report, 2nd Quarter Financial Statements (SEC Form 17-Q)

The Corporation incorporates by reference the information contained in its latest Annual Report (SEC Form 17-A, **Annex "A"**), Sustainability Report (**Annex "A-3"**) and the 2nd Quarter Financial Statements (SEC Form 17-Q) of 2023 (**Annex "A-4"**).

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

Review for the period ended June 30, 2023
(Comparative balances for the 6-month period ended June 30, 2023 and June 30, 2022)

Consolidated Income Statement
(₱ Million)

	June 30, 2023	June 30, 2022	Increase (Decrease)	% of Increase (Decrease)
Revenue	20.9	7.9	13.0	165%
General & Administrative Expenses	(17.2)	(16.2)	(1.0)	6.17%
Income before income Tax	3.7	(8.3)	12	(144.58%)
Provision for Income Tax	-	-	-	-
Net Income (Loss)	3.7	(8.3)	12	(144.58%)
Other income	1.3	0.6	0.7	116.67%
Total Comprehensive Income (Loss)	**5.0**	**(7.7)**	**12.7**	**165%**

Results of Operations

Revenue

During the 2nd Quarter of 2023, the Group earned revenue amounting to ₱15 million, bringing total revenue as of the six-month period ended, June 30, 2023, to ₱20.9 million. The revenues earned by the Group came from the share of the Parent Company in the NTDCC/Trinoma Depot Royalty Income and the share in the net profit of MRTDevco. Total general and administrative expenses incurred during the 6-month period ended June 30, 2023 amounted ₱17.2 million. Net income earned as of 2nd Quarter of 2023 amounted to ₱3.7 million and Total Comprehensive Income amounted to ₱5.0 million.

Expenses

The General and administrative (G&A) expenses incurred as of six month period June 30, 2023, amounted to ₱17.2 million, while during the same period in June 30, 2022, it was ₱16.2 million.

Financial Position

The Group's comparative consolidated balance sheet is summarized below:

Consolidated Balance Sheet
(₱ Million)

	June 30, 2023	June 30 30, 2022	Increase (Decrease)	% of Increase (Decrease)
Assets				
Current Assets				
Cash	0.7	0.9	(0.2)	22.22%
Receivables	12.0	8.0	4.0	50.0%
Other current assets	1.6	0.7	0.9	128.57%
Total current assets	**14.3**	**9.6**	**4.7**	**48.96%**
Non-current assets				
Due from related parties	892.9	892.8	0.1	0.01%
Financial assets at fair value through OCI	3,062.5	3,062.9	(0.4)	(0.01%)
Intangible assets	0.7	0.7	-	-
Investment in associates	27.9	13.7	14.2	103.6%
Deferred tax assets	1.6	1.4	0.2	14.29%
Total non-currents assets	3,985.7	3,971.5	14.2	0.36%
Total assets	**4,000.0**	**3,981.1**	**18.9**	**0.47%**
Liabilities and Stockholders' Equity				
Current liabilities				
Accrued expense and other current liabilities	408.6	400.2	8.4	2.10%
Total current liabilities	**408.6**	**400.2**	**8.4**	**2.10%**
Non-current liabilities				
Due to a stockholder	693.1	697.7	(4.6)	(0.66%)
Due to other related parties	257.4	257.5	(0.10)	(0.04%)
Total non-current liabilities	**950.6**	**955.2**	**(4.6)**	**(0.48%)**
Total Liabilities	**1,359.2**	**1,355.4**	**3.8**	**0.28%**
Stockholders' Equity				
Share capital	1,998.5	1,998.5	-	-
Additional paid-in capital	589.1	589.1	-	-
Fair value reserve	1.7	2.1	(0.4)	(19.05%)
Retained earnings	51.4	35.9	15.5	43.17%

Total Stockholders' Equity	**2,640.7**	**2,625.6**	**15.1**	**0.57%**
Total Liabilities and Stockholders' Equity	**4,000.0**	**3,981.1**	**18.9**	**0.47%**

Total Assets

The Group's Total Assets as of June 30, 2023 amounted to ₱4,000.0 million as compared to ₱3,981.1 million as of June 30, 2022.

Current Assets, which include cash, receivables and other current assets, amounted to ₱14.3 million as of the 2nd Quarter ended, June 30, 2023, compared to ₱9.6 million as of the same period of 2022. Non-current Assets, which include the cost of the Group's investments in the MRT companies and receivables from related parties, amounted to ₱3,985.7 million as of 2nd Quarter ended, June 30, 2023, compared to ₱3,971.5 million as of the same period of 2022.

Total Liabilities

The Group's Total Liabilities increased to ₱1,359.2 million as at June 30, 2023, compared to ₱1,355.4 million as of the same period of 2022.

Current Liabilities increased to ₱408.6 million as of 2nd Quarter ended June 30, 2023 compared to ₱400.2 million as of the same period in year 2022. Non-current Labilities, which is comprised mainly of advances received from FEMI, MRTDC and other related companies, decreased to ₱950.6 million as of 2nd Quarter ended June 30, 2023, compared to ₱955.2 million as of the same period of year 2022.

Stockholders' Equity

The Group's Stockholders' Equity increased to ₱2,640.7 million as of the 2nd Quarter period ended, June 30, 2023, compared to ₱2,625.6 million as of the same period of 2022.

Review for the period ended June 30, 2023

(Comparative balances for the 6-month period ended June 30, 2023 and December 31, 2022)

Results of Operations

Consolidated Income Statement
(₱ Million)

	June 30, 2023	December 31, 2022	Increase (Decrease)	% of Increase (Decrease)
Depot royalty income	12.0	19.5	(7.5)	(38.46%)

General & Administrative Expenses	(17.2)	(35.5)	18.3	(51.55%)
Loss from operations	**(5.2)**	**(16.0)**	**10.8**	**67.5%**
Other income	8.9	19.5	(10.6)	(54.36%)
Income before tax	**3.7**	**3.5**	**0.2**	**5.71%**
Income tax benefit (expense)	-	-	-	-
Net income for the quarter (year)	**3.7**	**3.5**	**0.2**	**5.71%**
Other comprehensive income				
Fair value gain on financial assets at fair value through OCI	1.3	(1.1)	2.4	(218.18%)
Total comprehensive income for the quarter (year)	**5.0**	**2.4**	**2.6**	**108.33%**

As of the six-month period ended, June 30, 2023, the Group earned total revenues amounting to ₱20.9 million, which includes the share of the Parent Company in depot royalty income and its share in the net profit of an associate.

With the Depot Royalty Income of ₱12 million and the Share in Profit of Associate of ₱8.9 million for the six months ended, June 30, 2023, the Group realized a Net Income of ₱3.7 million.

The Group's general and administrative expenses for the six months ended, June 30, 2023 amounted to ₱17.2 million. For the year ended December 31, 2022, the Group's general and administrative expenses amounted to ₱35.5 million.

For the six-month period ended, June 30, 2023, the Group realized a Net Income of ₱3.7 Million and Total Comprehensive Income of ₱5.0 million. For the year ended December 31, 2022, the Group earned a net income of ₱3.5 million and Total Comprehensive Income of ₱2.4 million.

Financial Condition

(Comparative balances for the period ended June 30, 2023 and December 31, 2022)

Consolidated Balance Sheet
(₱ Million)

	June 30, 2023	December 31, 2022	Increase (Decrease)	% of Increase (Decrease)
Assets				
Current Assets				
Cash	0.7	1.3	(0.6)	(46.15%)

Receivables	12.0	18.6	(6.6)	(35.48%)
Other current assets	1.6	1.6	-	-
Total current assets	**14.3**	**21.5**	**(7.2)**	**(33.49%)**
Non-current assets				
Due from related parties	892.9	892.8	0.1	0.01%
Financial assets at fair value through OCI	3,062.5	3,061.2	1.3	0.04%
Intangible assets	0.7	0.7	-	-
Investment in associates	28.0	19.1	8.9	46.60%
Deferred tax assets	1.6	1.6	-	-
Total non-currents assets	3,985.7	3,975.4	10.3	0.26%
Total assets	**4,000.0**	**3,996.9**	**3.1**	**0.08%**
Liabilities and Stockholders' Equity				
Current liabilities				
Accrued expense and other current liabilities	408.6	406.0	2.6	0.64%
Total current liabilities	**408.6**	**406.0**	**2.6**	**0.64%**
Non-current liabilities				
Due to a stockholder	693.1	702.2	(9.1)	(1.29%)
Due to other related Parties	257.4	252.9	4.5	1.78%
Total non-current Liabilities	950.6	955.1	(4.5)	(0.47%)
Total Liabilities	**1,359.2**	**1,361.1**	(1.9)	(0.14%)
Stockholders' Equity				
Share capital	1,998.5	1,998.5	-	-
Additional paid-in capital	589.1	589.1	-	-
Fair value reserve	1.7	0.4	1.3	325.0%
Retained earnings	51.4	47.7	3.7	7.76%
Total stockholders' equity	**2,640.7**	**2,635.8**	**4.9**	**0.19%**
Total Liabilities and Stockholders' Equity	**4,000.0**	**3,996.9**	**3.1**	**0.08%**

The Group's Total Assets registered a slight increase of ₱3.1 million or 0.08% from ₱3.9 billion as at December 31, 2022 to ₱4.0 billion as at June 30, 2023. The increase can be attributed to changes in the following asset accounts:

- Cash in Bank account decreased by ₱671 thousand or 46.15%, from ₱1.3 million as of December 31, 2022 to ₱0.7 million as of June 30, 2023 primarily due to payment of various accruals and expenses incurred during the second quarter of 2023.
- Receivables decreased by ₱6.6 million or 35.48% in view of the collection of receivables from Trinoma/NTDCC in January 2023.
- Due from related parties increased by ₱0.1 million or 0.01% in view of various advances made by MGHC to affiliates during the six-month period ended, June 30, 2023.

- The increase of ₱1.3 million or 0.04% in the AFS Financial Assets as of the

2nd Quarter of 2023 was primarily due to the increase in the market value of the Group's quoted equity shares. This account also includes the Group's investments in MRTHI and MTHII, amounting to ₱3.0 billion.

- The increase in Investment in Associates account amounting to ₱8.9 million or 46.60% from ₱19.1 million as of December 31, 2022 to ₱28.0 million as of June 30, 2023, was in view of the recognition of the Group's share in the net earnings of MRT Development Corporation as of June 30, 2023.

The Group's Total Liabilities decreased by ₱1.9 or 0.14% from ₱1.361 billion as at December 31, 2022 to ₱1.359 billion in June 30, 2023, in view of the changes in the following liability accounts:

- The Accrued expenses and other current liabilities increased by ₱2.6 million or 0.64% due to unpaid salaries and wages of top executives, amounting to ₱1.7 million and unpaid IT service fees, amounting to ₱0.8 million.
- The Due to Stockholders account or the Group's liability to FEMI, decreased by ₱9.1 million or 1.29% in view of various payments made by MGHC to FEMI during the six-month period ended, June 30, 2023.
- Due to related parties account increased by ₱4.5 Million mainly due to cash advances received from MRT Development Corporation (MRTDC) over the six-month period, June 30, 2032. These advances will be offset against dividends to be declared by MRTDC in the future.

The Group's Stockholder's Equity increased by 0.19% or ₱5.0 million (from ₱2.636 billion as at December 31, 2022 to ₱2.641 billion as of June 30, 2023) mainly due to the Net Income realized during the six month period.

Key Performance Indicators (" KPI")

The Group's KPI as of June 30, 2023 compared with the same period in 2022 and for the year ended December 31, 2022 are as follows:

Performance Indicator	Formula	2nd Quarter 2023	2nd Quarter 2022	2022
Liquidity				
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.035	0.024	0.053
Quick Ratio	$\frac{\text{Cash \& Cash Equivalents + Current Trade Receivables}}{\text{Current Liabilities}}$	0.056	0.012	0.049
Leverage				

Debt to Total Assets	Total Liabilities / Total Assets	0.34	0.34	0.34
Equity to Total Assets	Total Owner's Equity / Total Assets	0.66	0.66	0.66
Debt to Equity	Total Liabilities / Total Owner's Equity	0.51	0.51	0.52
Asset to Equity	Total Assets / Total Owner's Equity	1.51	1.51	1.52
Profitability				
Return on Equity	Net Income / Equity Attributable to Parent Company's Shareholders	0.001	(0.003)	0.001
Return on Assets	Net Income / Total Assets	0.001	(0.002)	0.001
Earnings per Share	Net Income / Average Number of Shares Outstanding	0.002	(0.004)	0.002

Liquidity

The Group's current assets of ₱14.3 million as of June 30, 2023 and current liabilities of P408.6 million resulted in a Current Ratio of 0.035, which increased compared to the Current Ratio of the same period in 2022, wherein the ratio was 0.024. The increase in current ratio was mainly due to the increase in current assets.

Leverage

There were no changes between the Debt to Equity Ratio and Asset to Equity Ratio for the period ending June 30, 2023 and 2022. The ratios show that the Group's assets are more than adequate to cover its liabilities.

Profitability

The Group's results of operations for the period ended June 30, 2023 realized an income thereby showing positive results of the Profitability ratios as of June 30, 2023 as compared to June 30, 2022 whereby it incurred a net loss, thus resulting to negative profitability ratios.

PLAN OF OPERATION

As approved by Management, MGHC will increase its authorized capital stock from Five Billion Pesos (P5,000,000,000.00), equivalent to Five Billion Shares (5,000,000,000) at P1.00 per share, to Ten Billion Pesos (P10,000,000,000.00), equivalent to Ten Billion Shares (10,000,000,000) at P1.00 per share. Its Parent Company, Fil-Estate Management, Inc. ("FEMI"), will subscribe to One Billion Two Hundred Fifty Million Pesos (P1,250,000,000.00) equivalent to One Billion Two Hundred Fifty Million Shares (1,250,000,000) at P1.00 per share.

FEMI will initially pay 25% of the total subscription price of One Billion Two Hundred Fifty Million Pesos (P1,250,000,000.00), or Three Hundred Twelve Million Five Hundred Thousand Pesos (P312,500,000.00). Two Hundred Ten Million Pesos (P210,000,000.00) will be paid by way of debt-to-equity conversion and the balance of One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00), through the application of its deposit for future subscription amounting to One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00).

The Issuer's proposed increase in authorized capital stock will be presented for approval of the shareholders at the Annual Stockholders' Meeting scheduled on October 12, 2023.

Financial Conditon, Changes in Financial Condition and Results of Operations during the Last Three (3) Years

Review for the year ended December 31, 2022

Results of Operations
(Comparative balances for December 31, 2022 and December 31, 2021)

	2022	**2021**	**Increase (Decrease)**	**% of Increase (Decrease)**
Depot Royalty Income	19.5	7.9	11.6	146.8%
General & Administrative Expense	(35.5)	(32.0)	(3.5)	10.9%
Income (loss) from	**(16.0)**	**(24.1)**	**8.1**	**(33.6%)**
Other Income				
Dividend income	-	2,606.2	(2,606.2)	(100%)
Share in profit (loss) of Associates	19.5	7.7	11.8	153.2%
Other income (expense)	0.01	20.4	(20.39)	(99.9%)
Total Other Income	**19.5**	**2,634.3**	**(2,614.8)**	**(99.3%)**
Income before income tax	**3.5**	**2,610.2**	**(2,606.7)**	**(99.9%)**
Income tax benefit (expense)	-	5.0	(5.0)	(100%)
Net Income for the year	**3.5**	**2,615.2**	**(2,611.7)**	**(99.9%)**

Other comprehensive income (loss): Fair value gain (loss) on financial assets at fair value through OCI	(1.1)	0.3	(1.4)	(466.67%)
Total Comprehensive Income	**2.4**	**2,615.5**	**(2,613.1)**	**(99.9%)**

The Group's Net Income for the year ended December 31, 2022 amounted ₱3.5 million. The current year registered an increase in Depot Royalty Income and Share in profit of Associates by 147% and 153%, respectively. General and administrative expenses also increased by 11%.

Compared to the Net Income of ₱2,615.2 million earned by the Group for the year ended, December 31, 2021, this year's net income decreased by ₱2,611.7 million. The decrease was mainly due to the dividend income received by the Parent Company from MRTH II, amounting to ₱2,606.2 million. There was no similar dividend declared and received by the Parent Company during the year.

Depot Royalty Income

For the year ended December 31, 2022, the Group's share in Depot Royalty Income increased by 147% or ₱11.6 million from ₱7.9 million as of December 31, 2021 to ₱19.5 million as of December 31, 2022. The increase was mainly due to the easing up of Covid19 restrictions in year 2022 which resulted in an increase in the gross rental income of TriNoma Commercial Center.

General and Administrative Expenses

The Group's General and Administrative Expenses increased by ₱3.5 million or 11%, from ₱32.0 million in December 31, 2021 to ₱35.6 million in December 31, 2022, largely due to IT expenses of the Parent Company.

Financial Condition
(Comparative balances for December 31, 2022 and December 31, 2021)

	2022	**2021**	**Increase (Decrease)**	**% of Increase (Decrease)**
ASSETS				
Current assets				
Cash	1.3	1.9	(0.6)	(30.9%)
Trade and other receivables	18.6	7.5	11.1	147.8.%
Other current assets	1.6	0.4	1.2	223.3%
Total current assets	21.5	9.9	11.6	116.5%
Non-current assets				
Due from related parties	892.8	892.8	-	-
Financial assets at fair value Through OCI	3,061.2	3,062.3	(1.1)	(0.03%)

Investment in associates	19.1	13.7	5.4	39.54%
Intangible assets	0.7	0.7	(0.02)	(3.8%)
Deferred tax assets	1.6	1.4	0.1	13.85%
Total non-current assets	3,975.4	3,970.9	4.5	0.11%
Total assets	**3,996.8**	**3,980.8**	**16.1**	**0.40%**
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current Liabilities				
Accrued expenses and other current liabilities	406.0	390.9	15.2	3.88%
Total current liabilities	406.0	390.9	15.2	3.88%
Non-current Liabilities				
Due to a stockholder	702.2	707.0	(4.8)	(0.68%)
Due to other related parties	252.8	249.6	3.2	1.30%
Total non-current liabilities	955.1	956.6	(1.5)	(13.5%)
Total Liabilities	**1,361.1**	**1,347.5**	**13.6**	**1.01%**
Stockholder's Equity				
Share capital	1,998.5	1,998.5	-	-
Additional paid-in capital	589.1	589.1	-	-
Fair value reserve	0.4	1.5	(1.1)	(72.0%)
Retained earnings	47.7	44.2	3.5	7.95%
Total Stockholders' Equity	2,635.8	2,633.3	2.4	0.09%
Total Liabilities and Stockholders' Equity	3,996.8	3,980.8	16.1	0.40%

The Group's financial condition remained steady for the year ended December 31, 2022. The Group's Total Assets increased by ₱16.1 million or 0.40%, from ₱3,980.8 million as at December 31, 2021 to ₱3,996.8 million as at December 31, 2022. The Group's Total Liabilities also increased by ₱13.6 million or 1.01%, from ₱1,347.5 million as at December 31, 2021 to ₱1,361.1 million as at December 31, 2022; while its Stockholders Equity increased by ₱2.4 million or 0.09%, from ₱2,633.3 million as at December 31, 2021 to ₱2,635.8 million as at December 31, 2022.

The ₱16.1 million or 0.40% increase in the Group's Total Assets, was mainly due to the increase in Trade Receivables from NTDCC, brought about by the increase in Depot Royalty Income, and the ₱5.4 million or 39.5% increase in Investments in Associates brought by the increase in the Group's share in the net earnings of MRTDC.

The increase in the Group's Total Liabilities of ₱13.6 million or 1.01% was mainly due to increases in the following accounts:

Accrued expense and other current liabilities increased by ₱15.2 million or 3.88% from ₱390.9 as of December 31, 2021 to ₱406.0 as of December 31, 2022 mainly due to increase in Other Payables.

Due to Other Related Partied increased by ₱3.2 million or 1.30% from ₱249.6 million as of December 31, 2021, to ₱252.9 million as of December 31, 2022, in view of the cash advances received from MRTDC, net of the ₱14.1 million dividend declared by MRTDC.

The increase in Stockholders' Equity of ₱2.4 million was mainly from the Net Income amounting ₱3.5 million.

Material Changes in the year ended December 31, 2022 Financial Statements

Financial Position
(Increase/ decrease of 5% or more versus December 31, 2021 balances)

- 31% decrease in Cash and cash equivalents was in view of the increased general and administrative expenses incurred during the period

- 148% increase in Trade and Other Receivables was mainly due to the increase in the Parent Company's share in the Depot Royalty Income from Trinoma Mall

- 223% increase in Other Current Assets was mainly due to increase in creditable withholding tax (which is in relation to the increase in depot royalty income) and input VAT.

- 39.5% increase in Investment in Associates was brought about by the increase in the Group's share in the net equity earnings of MRTDC

- 14% increase in Deferred Tax Asset was due to recording of additional Deferred income tax from MCIT during the year

- 72% decrease in Fair value reserve due to decline in the fair value of quoted equity securities

- 7.9% increase in Retained Earnings was primarily due to the net income realized during the year

Results of Operation
(Increase/ decrease of 5% or more versus December 31, 2021 balances)

- 148% increase in Depot Royalty Income was due to the increase in the share in depot royalty income received by the Paarent Company from Trinoma Mall

- 11% increase in General and Administrative Expense was mainly due to increase in IT expenses

- 154% increase in Share in Profit 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, 2022

- 100% decrease in Other Income. The amount recorded last year pertain mainly to exclusivity fee recognized as income in 2021

- 100% decrease in Dividend income. The income recognized last year pertain to dividends received from MRTHII. No similar dividend was declared and received during the year

- 100% decrease in Income tax benefit (expense). The recorded 2021 balances pertain to the effect of changes in the tax rates applied due to the enactment of CREATE in 2020

- 100% decrease in Fair value (loss) gain on financial assets at fair value through OCI was in view of the decline in the fair value of some quoted equity securities

Key Performance Indicators (KPI)

The Group's KPI for the years ended December 31, 2022 and 2021 follows:

Performance Indicator	Formula	2022	2021
Liquidity			
Current Ratio	Current Assets / Current Liabilities	0.05	0.02
Quick Ratio	Cash & Cash Equivalents + Current Trade Receivables / Current Liabilities	0.05	0.02
Leverage			
Debt to Total Assets	Total Liabilities / Total Assets	0.34	0.34
Equity to Total Assets	Total Owner's Equity / Total Assets	0.66	0.66
Debt to Equity	Total Liabilities / Total Owner's Equity	0.52	0.51
Asset to Equity	Total Assets / Total Owner's Equity	1.52	1.51
Profitability			
Return on Equity	Net Income / Total Assets	0.00	0.66
Earnings per Share	Net Income(Loss) / Average Number of Shares Outstanding	0.00	1.32

Liquidity

Current Ratio and Quick Ratio both increased in December 2022, compared to December 2021, mainly due to the significant increase in the current assets of the Group.

Leverage

Debt to Total Assets ratio in December 2022 is the same as compared to

December 2021 due to insignificant movement in related accounts of the Group.

Similarly, Equity to Total Assets ratio also remained unchanged in December 2022 as compared to December 2021 as a result of the insignificant movement of the accounts during the year.

Debt to Equity ratio slightly increased this year as compared to prior year, mainly due to increase in Total Liabilities.

Asset to Equity ratio increased in 2022 as against 2021 mainly due to increase in Total Assets.

Profitabiliy

All profitability ratios decreased in view of the decrease in the net income earned by the Group in December 2022, as compared to December 2021.

Review for the year ended December 31, 2021

Results of Operations

(Comparative balances for December 31, 2021 and December 31, 2020)

	2021	2020	Increase (Decrease)	% of Increase (Decrease)
Depot Royalty Income	7.9	9.3	(1.4)	(15.1%)
General & Administrative Expense	(32.0)	(12.6)	19.2	152.4%
(Loss) profit from operations	**(24.1)**	**(3.3)**	(20.7)	(608.8%)
Other Income				
Dividend income	2,606.2	-	2,606.2	100%
Share in profit (loss) of associates	7.7	6.0	1.7	28.3%
Other income (expense)	20.4	(0.1)	20.5	205.0%
Total Other Income	2,634.3	5.9	**2,628.4**	**44587.8%**
Income before income tax	**2,610.2**	**2.6**	**2,607.6**	**101657.6%**
Income tax benefit (expense)	5.0	(1.7)	6.7	396.1%
Net Income for the year	**2,615.2**	**0.9**	**2,614.3**	**295127.8%**
Other comprehensive income (loss): Fair value gain (loss) on financial assets at fair value through OCI	0.3	0.6	(0.2)	(42.2%)
Total Comprehensive Income	**2,615.5**	**1.5**	**2,614.0**	**174169.8%**

The Group suffered a loss from operations of P24.1 million as of December 31, 2021. This increased by 608.8% when compared to the operating loss suffered by the Group in December 31, 2020 of P3.3 million. The increase in operating loss was in view of the ₱1.44 million or 15.1% decrease in the Depot Royalty

Income and the ₱19.2 million or 152.4% increase in the Group's General and Administrative expenses.

The Depot Royalty Income of the Group decreased from ₱9.3 million as of December 31, 2020 to ₱7.9 million as of December 31, 2021. This was in view of the continued effect of the Covid 19 restrictions on the operations of the Trinoma Commercial Center.

The ₱19.3 million or 152.4% increase in the Group's General and Administrative expenses, from ₱12.6 million in December 31, 2020 to ₱32 million in December 31, 2021, was mainly due to the increase in Group's salaries and wages expense.

However, despite the ₱24.1 million loss from operations, the Group's net income for the year and its total comprehensive income increased. The increase was mainly due to the dividend income received from MRTHII on December 13, 2021, amounting ₱2,606.2 million. As a result of the ₱2,606.2 million Dividend Income, the Group's net income for the year ended December 31, 2021, increased by ₱2,614.3 million, from ₱0.9 million as of December 31, 2020 to ₱2,615.2 million as of December 31, 2021 while the Group's total comprehensive income also increased remarkably to ₱2,615.5 million as of December 31, 2021, from ₱1.5 million as of December 31, 2020, or an increase of ₱2,614.0 million.

The Group also received in year 2021 a non-refundable exclusivity fee of ₱20 million from a third party for a prospective infrastructure-related investment. At the end of the year, this was recognized as other income since both parties agreed to no longer proceed with the proposed transaction. This further added to increase in the net income and total comprehensive income of the Group.

Financial Condition

(Comparative balances for December 31, 2021 and December 31, 2020)

	2021	2020	Increase (Decrease)	% of Increase (Decrease)
ASSETS				
Current assets				
Cash	1.9	2.0	(0.03)	(2%)
Trade and other receivables	7.5	8.9	(1.4)	(15%)
Other current assets	0.4	0.1	0.3	286.0%
Total current assets	9.9	11.0	(1.0)	(9.5%)
Non-current assets				
Due from related parties	892.8	1.8	891.0	50442%
Financial assets at fair value Through OCI	3,062.3	1,494.5	1,567.8	105%
Investment in associates	13.7	6.0	7.7	128%
Intangible assets	0.7	0.7	(0.02)	(3.7%)
Deferred tax assets	1.4	1.6	(0.1)	(11.5%)

Total non-current assets	3,970.9	1,504.6	2,466.3	164%
Total assets	**3,980.8**	**1,515.5**	**2,465.2**	**162.7%**
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current Liabilities				
Accrued expenses and other current liabilities	390.9	385.2	5.7	1.5%
Income tax payable	-	6.3	(6.3)	(100%)
Total current liabilities	390.9	391.5	(0.6)	(0.16%)
Non-current Liabilities				
Due to a stockholder	707.0	744.8	(37.8)	(5.0%)
Due to other related parties	249.6	361.4	(111.8)	(30.9%)
Total non-current liabilities	956.6	1,106.3	(149.7)	(13.5%)
Total Liabilities	**1,347.5**	**1,497.8**	**(150.3)**	**(10.0%)**
Stockholder's Equity				
Share capital	1,998.5	1,998.5	-	-
Additional paid-in capital	589.1	589.1	-	-
Fair value reserve	1.5	1.1	0.3	31.4%
Retained earnings (deficit)	44.2	(2,571.0)	2,615.2	101.7%
Total Stockholders' Equity	2,633.3	17.8	2,615.5	14700%
Total Liabilities and Stockholders' Equity	3,980.8	1,515.6	2,465.2	162.7%

The Group's financial condition showed remarkable improvement for the year ended December 31, 2021. The Group's Total Assets increased by ₱2,465.2 million or 163%, from ₱1,515.5 million as at December 31, 2020 to ₱3,980.8 million as at December 31, 2021. The Group's Total Liabilities decreased by ₱150.3 million or 10.0%, from ₱1,497.8 million as at December 31, 2020 to ₱1,347.5 million as at December 31, 2021; while its Stockholders Equity increased by ₱2,615.5 million or 14693.8%, from ₱17.8 million as at December 31, 2020 to ₱2,633.3 million as at December 31, 2021.

The ₱2,465.2 million or 162.7% 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 ₱891.0 million or 49500.0% from ₱1.8 million as at December 31, 2020 to ₱892.8 million as at December 31, 2021, in view of ₱891.5 million dividend receivables from MRTHII.

Financial Assets at Fair Value t hrough OCI, which consist mainly of the Group's investments in MRTHI and MRTHII, increased by ₱1,567.8 million or 104.9% from ₱1,494.5 million as at December 31, 2021 to ₱3,062.3 million 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 previously recorded as a reduction of investment in MRTHII.

As discussed in Note 5.1c of the Group's Audited Financial Statements, pursuant to the sale of future share distributions agreement entered by the Parent

Company and other participating shareholders of MRTHI and MRTHII, the Parent Company recognized a ₱1 billion 567.4 million liability from the sale of the future share distribution from the MRTC project, which was recorded as a reduction of investment in MRTHI and MRTHII. With the adjustment offsetting the ₱1 billion 567.4 million liability from the sale of the future share distribution against the dividends receivables from MRTHII, the total carrying amount of investment in MRTHI and MRTHII increased to ₱3 billion 58.2 million as at December 31, 2021.

The decrease in the Group's Total Liabilities of ₱150.3 million or 10.0% was mainly due to decreases in the following accounts:

Income Tax Payable decreased by ₱6.3 million or 100%, from ₱6.3 million as at December 31, 2020 to P-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 5.1%, from ₱744.8 million as at December 31, 2020 to ₱707.0 million as at December 31, 2021, due to increased cash payments made by the Group to FEMI in year 2021.

Due to Related Partied decreased by ₱111.8 million or 31% from ₱361.4 million as of December 31, 2020, to ₱249.6 million as of December 31, 2021, in view of the offsetting of the Parent Company's liability from MRTHII, against dividend receivables.

The ₱2,615.5 million or 14693.8% increase in Stockholders' Equity was in view of the ₱2,615.2 million increase in the Group's Retained Earnings (from a negative balance of ₱P2,571.0 million as of December 31, 2020 to a positive balance of ₱44.2 million 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.

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

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

- 15.7% 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

- 400.0% increase in Other Current Assets was mainly due to increase in input VAT receivables

- 49500.0% increase in Due from Related Parties was in view of the dividend receivables from MRTHII

- 104.9% increase in Financial Assets at Fair Value through OCI, was in view of the application of the dividend income received by the Group against its liability from sale of future share distributions, previously recorded as a reduction of investment in MRTHII

- 128.3% increase in Investment in Associate was in view of the P7.7 million share in the net equity earnings of MRTDC for the year ended December 31, 2021

- 100.0% decrease in Income Tax Payable was in view of the Group not recognizing any taxable income for the year ended December 31, 2021

- 5.1% decrease in Due to a Stockholder was due to increased payments made by the Parent Company to FEMI

- 30.9% decrease in Due to Related Parties was in view of the offsetting of the Parent Company's liability to MRTHII against dividend receivables

- 36.4% increase in Cumulative Market adjustment was due to the increase in the market value of the Parent Company's quoted equity securities

- 101.7% increase in Retained Earnings was primarily due to the dividend income received by the Parent Company from MRTHII

Key Performance Indicators (KPI)

The Group's KPI for the years ended December 31, 2021 and 2020 follows:

Performance Indicator	Formula	2021	2020
Liquidity			
Current Ratio	Current Asset / Current Liabilities	0.025	0.028
Quick Ratio	Cash & Cash Equivalents + Current Trade Receivables / Current Liabilities	0.024	0.028
Leverage			
Debt to Total Assets	Total Liabilities / Total Assets	0.34	0.99
Equity to Total Assets	Total Owner's Equity / Total Assets	0.66	0.01
Debt to Equity	Total Liabilities / Total Owner's Equity	0.51	84.18
Asset to Equity	Total Assets / Total Owner's Equity	1.51	85.18

Profitability			
Return on Equity	Net Income / Equity Attributable to Parent Company's Shareholders	1.31	0.045
Return on Assets	Net Income / Total Assets	0.66	0.001
Earnings per Share	Net Income (Loss) / Average Number of Shares Outstanding	1.32	0.0004

Liquidity

Current Ratio and Quick Ratio both decreased in December 2021, compared to December 2020 and 2019, mainly due to the decrease in the current assets of the Group.

Leverage

Debt to Total Assets ratio decreased in December 2021 as compared to December 2020 and December 2019, in view of the increase in Group's Total Assets.

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

Profitability

All profitability ratios increased in view of the increase in the net income earned by the Group in December 2021, as compared to December 2020 and December 2019.

Review for the year ended December 31, 2020

Results of Operations

(Comparative balances of December 31, 2020 and December 31, 2019)

	2020	2019	Increase (Decrease)	% of Increase (Decrease)
Depot royalty income	9.3	30.3	(21.0)	(69%)
General and Administrative Expenses	(12.6)	(4.9)	(7.7)	158.3%
Share in profit (loss) of associates	6.0	(1.9)	7.8	(416%)
Other (expense) income	0.09	20.0	(20.1)	(100%)
Income before income tax	2.6	43.5	(40.9)	(94%)
Income tax expense	(1.7)	(9.1)	7.4	(81.5%)
Net income	0.8	34.4	(33.5)	(97.4%)

Other comprehensive income				
Fair value gain(loss) on financial assets at fair value through	0.6	(0.9)	1.5	(1.66%)
Total comprehensive income for the year	1.5	33.5	(32.0)	(95.5%)

The Group's net income for the year ended December 31, 2020, decreased by 97% or ₱33.5 million, from ₱34.4 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 ₱7.8 million increase in general and administrative expenses.

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 ₱21.0 million decrease (from ₱30.3 million as at December 31, 2019 to ₱9.3 million as December 31, 2020), in the Group's share in the depot royalty income for the year 2020.

General and administrative expenses increased by ₱7.8 million or 158.3%, from ₱4.9 million in December 31,2019 to ₱12.7 million in December 31, 2020, mainly due to the increase in salaries and wages in view of the secondment of various officers from FEMI. The Group's G&A expenses comprised mainly of the Group's regular operating expenses, such as salaries and wages, professional and retainer fees, taxes and licenses and transportation and travel expenses.

Financial Condition

(Comparative balances of December 31, 2020 and December 31, 2019)

	2020	**2019**	**Increase (Decrease)**	**% of Increase (Decrease)**
ASSETS				
Current assets				
Cash	2.0	1.1	0.9	87.3%
Receivables	8.9	28.8	(19.9)	(69.2%)
Other current assets	0.1	0.07	0.06	79%
Total current assets	11.0	30.0	(19.0)	(63.3%)
Non-current assets				
Due from related parties	1.8	1.8	-	-
Financial assets at fair value Through OCI	1,494.5	1,493.9	0.6	0.04%
Investment in associates	6.0	-	6.0	100%
Intangible assets	0.7	0.8	(0.02)	(3.6%)
Deferred tax asset	1.6	1.6	-	-
Total non-current assets	1,504.6	1,498.0	6.6	4.4%
Total assets	1,515.5	1,528.0	(12.4)	(0.8%)
Liabilities and stockholders' equity				
Current liabilities				

Accrued expenses and other current liabilities	385.2	383.0	2.2	1%
Income tax payable	6.3	7.6	(1.3)	(16.9%)
Total current assets	391.5	390.5	0.9	2%
Non-current liabilities				
Due to a stockholder	744.8	773.3	(28.5)	(4%)
Due to other related parties	361.4	347.7	13.7	3.9%
Total non-current liabilities	1,106.3	1,121.1	(14.8)	(1%)
Total liabilities	1,497.7	1,511.6	(13.9)	(.9%)
Stockholders' equity				
Share capital	1,998.5	1,998.5	-	-
Additional paid-in capital	589.0	589.0	-	-
Fair value reserve	1.1	0.5	0.6	119%
Deficit	(2,571.0)	(2,571.9)	0.8	0.03%
Total stockholders' equity	17.8	16.3	1.5	9.2%
Total liabilities and stockholders' equity	1,515.5	1,528.0	(12.4)	(0.8%)

The ₱12.4 million or 0.8% decrease in the Group's Total Assets, from ₱1.53 billion as at December 31, 2019 to P1.52 billion as at December 31, 2020, was in view of the changes in the following asset accounts:

- Cash increased by ₱0.9 million or 87.3% from P1.1 million as at December 31, 2019 to ₱2.0 million as at December 31, 2020, mainly due to increase in cash collections during the year.

- Receivables decreased by ₱19.9 million or 69.2%, from ₱28.8 million as at December 31, 2019 to ₱8.9 million as at December 31, 2020, in view of the decrease in the share in depot royalty income received from the Trinoma Mall.

- The increase in Investment in Associates account amounting to ₱6 million (from P-nil-as at December 31, 2019 to ₱6.0 million as at December 31, 2020), was in view of the recognition of the Group's share in the net earnings of MRT Development Corporation for the year 2020.

Total Liabilities decreased by 0.9% or P₱13.9 million, from ₱1.51 billion as at December 31, 2019 to ₱1.49 billion as at December 31, 2020, due to changes in the following liability accounts:

- Accrued Expenses and Other Payables increased by 1% or ₱2.2 million, from ₱382.9 million as at December 31, 2019 to ₱385.2 million as at December 31, 2020, mainly due to the accrual of salaries and wages due as of December 31, 2020.

- Income Tax Payable decreased by ₱1.3 million or 16.9%, from ₱7.6 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 depot royalty income.

- Due to a Stockholder decreased by 3.7% or ₱28.5 million, from ₱P773.3

million as at December 31, 2019 to ₱744.8 million as at December 31, 2020, due to various cash payments made to FEMI during the year.

- Due to Other Related Parties increased by 3.9% or ₱13.7 million, from ₱347.7 million as at December 31, 2019 to ₱361.4 million as at December 31, 2020, due to cash advances received from MRTDC during the year. These advances will be offset against cash dividends that MRTDC will declare in the future.

The Stockholders' Equity increased by ₱1.5 million or 9.2%, from ₱16.3 million as at December 31,2019 to ₱17.8 million as at December 31, 2020, in view of the net operating income earned by the Group in year 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 increased cash receipts brought about by the collection of receivables from NTDCC and the various cash advances received from FEMI and MTRDC during the year

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

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

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

- 119% increase in Cumulative Market adjustment was due to the increase in the market value of the Group'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 share in lease rental income from Trinoma.

- 158% increase in General and Administrative Expense was primarily due to the increase in salaries and wages in relation to the employment of additional employees in 2020

- 100% decrease in other income was in view of the decrease in the other income account. In 2019, 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 Group's recognized other income of P20 million that year. No such transactions happened in year 2020.

Key Performance Indicator (KPI)

The Group's KPI for the years ended December 31, 2020 and 2019 follows:

Performance Indicator	Formula	2020	2019
Liquidity			
Current Ratio	Current Assets / Current Liabilities	0.028	0.077
Quick Ratio	Cash & Cash Equivalents + Current Trade Receivables / Current Liabilities	0.028	0.076
Leverage			
Debt to Total Assets	Total Liabilities / Total Assets	0.99	0.99
Equity to Total Assets	Total Owner's Equity / Total Assets	0.01	(0.01)
Debt to Equity	Total Liabilities / Total Owner's Equity	84.18	92.78
Asset to Equity	Total Assets / Total Owner's Equity	85.18	93.79
Profitability			
Return on Equity	Net Income / Equity Attributable to Parent Company's Shareholders	0.045	(2.00)
Return on Assets	Net Income / Total Assets	0.001	0.022
Earnings per Share	Net Income (Loss) / Average Number of Shares Outstanding	0.0004	0.0172

Liquidity
Current Ratio and Quick Ratio both decreased in December 2021, compared to December 2020 and 2019, mainly due to the decrease in the current assets of the Group.

Leverage
Debt to Total Assets ratio decreased in December 2021 as compared

to December 2020 and December 2019, in view of the increase in Group's Total Assets.

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

Profitability

All profitability ratios increased in view of the increase in the net income earned by the Group in December 2021, as compared to December 2020 and December 2019.

Others Matters

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

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 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 placements and the eventual resumption of the trading of its shares at the PSE.

The Group is not in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring making payments.
The Group has no significant trade payables that have been paid within the stated period.

The Group is not aware of any event that will trigger direct or contingent financial obligation that is material to the Group, including default or acceleration of an obligation.

There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

The Group has no material commitments for capital expenditures.

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

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

Market Registrant's Common Equity and Related Stockholders Matters

(1) Market Information

The Parent Company's stocks are being traded at the Philippine Stock Exchange. However, during the last five (5) years, trading of the Parent Company's shares was 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 2022, 2021 and 2020 could not be determined.

	2023		2022		2021	
Quarter	**High**	**Low**	**High**	**Low**	**High**	**Low**
1st	0.00	0.00	0.00	0.00	0.00	0.00
2nd	0.00	0.00	0.00	0.00	0.00	0.00
3rd			0.00	0.00	0.00	0.00
4th			0.00	0.00	0.00	0.00

The shares of the Parent Company were last traded on February 27, 2007 at a price of ₱1.00.

(2) Holders

As of 30 July 2023, the number of shareholders of record is 1,913 while common shares outstanding were 2,000,000,000 shares.

Top 20 stockholders based on issued common shares as of 30 July 2023:

Name of Shareholders	Number of Shares	Percentage
Fil-Estate Management, Inc.	1,759,750,194	87.988%
PCD Nominee Corporation (Filipino)	100,564,633	5.028%
Alakor Securities Corporation	66,778,253	3.339%
Bank of Commerce-Trust Services Group	43,211,800	2.161%
Bank of Commerce TG-91-07-001-C	6,383,000	0.319%
PCD Nominee Corp. (Non-Filipino)	3,661,629	0.183%
Bancommerce Investment Corp.	2,000,000	0.100%
Atty. Gilbert Reyes ITF Various Shareholders	1,903,514	0.095%

Noel Carino	1,506,500	0.075%
Jaime Borromeo	1,000,000	0.050%
Leroy Tan	675,500	0.034%
Belson Securities, Inc. A/C#196-358	664,000	0.033%
Roberto N. Del Rosario	628,000	0.031%
CFC Corporation	576,000	0.029%
The Holders of the Unexchanged San Jose Oil	556,839	0.028%
David Go Securities Corp.	414,200	0.021%
Trendline Securities Corp.	382,500	0.019%
Alberto Mendoza &/or Jeanie C. Mendoza	300,000	0.015%
Alakor Corporation	200,000	0.010%
Patricia Borja	200,000	0.010%
	1,991,356,562	99.568%

(3) Dividends

Under Article VIII, Section 2 of the Company's By-Laws, "Twenty-five (25%) of the net profits after tax of the Corporation shall be made for distribution as dividends to stockholders, subject to the discretion of the Board of Directors to reduce said amount when, in its judgment, said action may be deemed necessary and/or convenient for the business of the Corporation or to meet contingencies that might arise in the course of its business."

No dividends were declared during the last three (3) calendar years.

(1) Recent Sales of Unregistered or Exempt Securities

There have no recent sales of unregistered or exempt securities by the Parent Company or recent issuances of securities constituting exempt transaction.

Discussion on Compliance with leading practice on Corporate Governance

The Company is in substantial compliance with its Manual and the Code of Corporate Governance for PLC's. The Compliance Officer is present at all meetings of the Board of Directors and closely coordinates with the Chairman and the President to ensure full compliance with the adopted leading practices on good governance. The Compliance Officer furnishes the Board of Directors and top-level management copies of new rules, regulations, circulars and orders of the Securities and Exchange Commission and the Philippine Stock Exchange to continuously update its Directors and top-level management with new requirements for compliance with leading practices on corporate governance. In addition, the Compliance Officer requires and encourages its Directors and top-level management to attend seminars on good corporate governance.
Each year the Company's Board of Directors conducts an **annual assessment** of its performance as a whole. The **Board Evaluation and Assessment Questionnaire** is composed of varying statements based on the roles, functions

and responsibilities of the Board found under the Company's Manual on Corporate Governance. The Chairman and Directors evaluate how well the Board have performed for each criterion and indicate the rating using the following **rating scale**: 5 strongly agree, 4 agree, 3 undecided, 2 disagree and 1 strongly disagree. The Board's annual performance assessments are disclosed in the IACGR of the relevant year in which the assessments are made.

There are no material deviations to date from the Corporation's Manual on Corporate Governance or Code of Corporate Governance, with exception of certain recommendations, which the Company has explained in its I-ACGR filed in 2022. The Board has no immediate plans to adopt new policies for corporate governance.

The Company will provide without charge to each shareholder, on the written request of any shareholder, a copy of the Company's Annual Report on SEC Form 17-A, and exhibits disclosed in this Information Statement. Requests for such report and exhibits should be directed to MR. RAMON G. JIMENEZ, Chief Financial Officer, Metro Global Holdings Corporation, Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on 7 September 2023.

METRO GLOBAL HOLDINGS CORPORATION
By:

RAMON G. JIMENEZ
Chief Finance Officer

ANNEX "A"

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
17A	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
1912	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	rgj@metroglobalholdings.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, 2022**

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:
    ₱238,484,302.00@ ₱1.00/share as of December 31, 2022

14. Document incorporated by reference: **2022 Audited Financial Statements**

METRO GLOBAL HOLDINGS CORPORATION

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SEC FORM 17-A

Item 1. Business

Business Development

Metro Global Holdings Corporation (the 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, 2022.

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, 2022, 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 approximately 19 hectares of new development out of the total 247-hectare former rest-and-recreation facility of the United States military. It was further expected that the profitability of CJHDEVCO would be boosted by such investments and in turn, would positively affect the financial performance of the Company.

On July 1, 2008, the BCDA consented to the transfer made by FEMI of its 30.0% equity interest in CJH in exchange for new shares of stocks in the 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 by the parties. The PDRCI, in its decision, (a) directed the BCDA to return to CJHDEVCO the total amount of rent CJHDEVCO had paid amounting to P1,421,096,052; and (b) ordered CJHDEVCO to vacate the leased premises and promptly deliver the leased property to the BCDA upon full payment by the BCDA to CJHDEVCO of the aforementioned rental amount. The decision also concluded that 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 of P.05 per share which is the price per share at the 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, 2022, 2021 and 2020, the Parent Company recognized its share in lease rental income from the Trinoma Mall, classified as depot royalty income in the financial statements, of ₱19,546,766, ₱7,887,684 and ₱9,329,483, 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, 2022, 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, 2022, 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% 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 not 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 87.88% 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, 2022.

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, 2022.

Its subsidiaries, MGHC Royal and MRTSI, are both not yet in commercial operation and have no employees as of December 31, 2022. 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, 2022, 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, 2022 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, 2022, 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, 2022, 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 2022.

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 2021, 2022 and 2023 could not be determined.

	2023		2022		2021	
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 2022 the number of shareholders of record is 1,912 while common shares outstanding were 2,000,000,000 shares. The Parent Company's top 20 Stockholders as at 31 December 2022 are:

	Name of Stockholders	Number of Shares	% of Ownership
1	Fil-Estate Management, Inc.	1,757,690,196	87.88%
2	PCD Nominee Corporation (Filipino)	100,564,633	5.03%
3	Alakor Securities Corporation	66,778,253	3.34%
4	Bank of Commerce – Trust Services Group	43,211,800	2.16%
5	Bank of Commerce TG-91-07-001-C	6,383,000	0.32%
6	PCD Nominee Corp. (Non-Filipino)	3,663,129	0.18%
7	Fil-Estate Management Inc.	2,059,998	0.10%
8	Bancommerce Investment Corp	2,000,000	0.10%
9	Atty. Gilbert Reyes ITF Various Shareholders	1,903,514	0.10%
10	Noel Cariño	1,506,500	0.08%
11	Jaime Borromeo	1,000,000	0.05%
12	Leroy Tan	675,500	0.03%
13	Belson Securities, Inc. A/C#196-358	664,000	0.03%
14	Roberto N. Del Rosario	628,000	0.03%
15	CFC Corporation	576,000	0.03%
16	The Holders of the Unexchanged San Jose Oil Co., Inc.	556,839	0.03%
17	David Go Securities Corp.	414,200	0.02%
18	Trendline Securities Corp.	382,500	0.02%
19	Alberto Mendoza &/or Jeanie C. Mendoza.	300,000	0.02%
20	Alakor Corporation	200,000	0.01%

(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 2023. 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

Review for the year ended December 31, 2022

Financial position and results as at and for the year ended December 31, 2022

The Group's Net Income for the year ended December 31, 2022 amounted ₱3,513,335. The current year registered an increase in Depot Royalty Income and Share in profit of Associates by 148% and 154%, respectively. General and administrative expenses also increased by 11%.

Compared to the Net Income of ₱2,615,181,561 earned by the Group for the year ended, December 31, 2021, this year's net income decreased by ₱2,611,668,226., The decrease was mainly due to the dividend income received by the Parent Company from MRTH II, amounting to ₱2,606,190,497. There was no similar dividend declared and received by the Parent Company during the year.

Depot Royalty Income

For the year ended December 31, 2022, the Group's share in Depot Royalty Income increased by 148% or ₱11,659,082, from ₱7,887,684 as of December 31, 2021, to ₱19,546,766 as of December 31, 2022. The increase was mainly due to the easing up of Covid19 restrictions in year 2022 which resulted in the increase in the gross rental income of TriNoma Commercial Center.

General and Administrative Expenses

The Group's General and Administrative expenses increased by ₱3.6 million or 11.30%, from ₱31,958,915 in December 31, 2021 to ₱35,571,235 in December 31, 2022, largely due to IT expenses of the Parent Company.

Financial Condition

The Group's financial condition remained steady for the year ended December 31, 2022. The Group's Total Assets increased by ₱16,069,884 or 0.40%, from ₱3,980,811,666 as at December 31, 2021 to ₱3,996,881,550 as at December 31, 2022. On the other hand, the Group's Total Liabilities also increased by ₱13,627,522 or 1.01%, from P1,347,482,381 as at December 31, 2021 to ₱1,361,109,903 as at December 31, 2022; further, Stockholders Equity also increased by ₱2,442,362 or 0.09%, from ₱2,633,329,285 as at December 31, 2021 to ₱2,635,771,647 as at December 31, 2022.

Total Assets

The ₱16,069,884 or 0.40% increase in the Group's Total Assets from ₱3,980,811,666 as at December 31, 2021 to ₱3,996,881,550 as at December 31, 2022, was mainly due to the ₱11,075,338 or 147.8% increase in Trade Receivables from NTDCC, brought about by the increase in Depot Royalty Income, and the ₱5,403,982 or 39.5% increase in Investments in Associates brought about by the increase in the Group's share in the net equity earnings of MRTDC.

Total Liabilities

The increase in the Group's Total Liabilities of ₱13,627,522 or 1.01% was mainly due to increases in the following liability accounts:

Accrued expense and other current liabilities increased by ₱15,173,674 or 3.88% from ₱390,861,037 as of December 31, 2021 to ₱406,034,711 as of December 31, 2022 mainly due to increase in Other Payables.

Due to Other Related Parties increased by ₱3,246,964 or 1.30%, from ₱249,610,537 as of December 31, 2021, to ₱252,857,501 as of December 31, 2022, in view of the cash advances received from MRTDC, net of the ₱14,122,035 dividends declared by MRTDC.

Stockholder's Equity

The increase in Stockholders' Equity of ₱2,442,362 was mainly from the Net Income amounting ₱3,513,335.

KEY PERFORMANCE INDICATORS ("KPI")

LIQUIDITY RATIOS

	December 31, 2022	December 31, 2021
Current Ratio	0.053	0.025
Quick Ratio	0.049	0.024

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 2022 compared to December 2021 mainly due to the significant increase in the current assets of the Group.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2022	December 31, 2021
Debt to Total Assets	0.34	0.34
Equity to Total Assets	0.66	0.66
Debt to Equity	0.52	0.51
Asset to Equity	1.52	1.51

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 in December 2022 is the same as compared to December 2021 due to insignificant movement in related accounts of the Group.

Similarly, Equity to Total Assets ratio also remained unchanged in December 2022 as compared to December 2021 as a result of the insignificant movement of the accounts during the year.

Debt to Equity ratio slightly increased this year as compared to prior year, mainly due to increase in Total Liabilities.

Asset to Equity ratio increased in 2022 as against 2021 mainly due to increase in Total Assets.

PROFITABILITY RATIOS

	December 31, 2022	December 31, 2021
Return on Equity	0.0013	1.31
Return on Assets	0.0009	0.66
Earnings per Share	0.0018	1.32

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

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

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

The positive results of all the profitability ratios were due to the Net Income realized by the Group in December 2022.

Material Changes in the year ended December 31, 2022 Financial Statements

Financial Position
(Increase/decrease of 5% or more versus December 31, 2021 balances)

- 31% decrease in Cash and cash equivalents was in view of the increased general and administrative expenses incurred during the period
- 148% increase in Trade and Other Receivables was mainly due to the increase in the Parent Company's share in the Depot Royalty Income from Trinoma Mall
- 39.5% increase in Investments in Associates was brought about by the increase in the Group's share in the net equity earnings of MRTDC.
- 223% increase in Other Current Assets was mainly due to increase in creditable withholding tax (which is in relation to the increase in depot royalty income) and input VAT.
- 14% increase in Deferred Tax Asset was due to recording of additional Deferred income tax from MCIT during the year.

- 72% decrease in Fair value reserve due to decline in the fair value of quoted equity securities

Results of Operation
(Increase/decrease of 5% or more versus December 31, 2021 balances)

- 148% increase in Depot Royalty Income was due to the increase in the share in depot royalty income received by the Parent Company from Trinoma Mall

- 11% increase in General and Administrative Expense was mainly due to increase in IT expenses

- 154% increase in Share in Profit 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, 2022

- 100% decrease in Other Income. The amount recorded last year pertain mainly to exclusivity fee recognized as income in 2021

- 100% decrease in Dividend income. The income recognized last year pertain to dividends received from MRTHII. No similar dividend was declared and received during the year

- 100% decrease in Income tax benefit (expense). The recorded 2021 balances pertain to the effect of changes in the tax rates applied due to the enactment of CREATE in 2020

- 100% decrease in Fair value (loss) gain on financial assets at fair value through OCI was in view of the decline in the fair value of some quoted equity securities

Review for the year ended December 31, 2021

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.

Dividend Income
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.

Depot Royalty Income
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.

General and Administrative Expenses

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.

Total Assets

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.

Total Liabilities

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.

Item 7. **Financial Statements**

Refer to the Audited Financial Statements of the Metro Global Holdings Corporation and its Subsidiaries as of December 31, 2022 and 2021, 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, 2022, 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 9, 2021, 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	69	Filipino	Chairman of the Board	27	1996 - 2023
Ferdinand T. Santos	73	Filipino	President	27	1996 – 2023
Noel M. Cariño	69	Filipino	Director	27	1996 – 2023
Rafael Perez de Tagle, Jr	68	Filipino	Director	23	2000 - 2023
Roberto S. Roco	70	Filipino	Director	19	2004 - 2023
Alice Odchigue-Bondoc	57	Filipino	Director	19	2004 - 2023
Francisco C. Gonzalez	79	Filipino	Director, Independent	13	2010 - 2023
Jaime M. Cacho	67	Filipino	Director	5	2018 - 2023
Jose Wilfrido M. Suarez	73	Filipino	Director, Independent	1	2022 - 2023
Gilbert Raymund T. Reyes	65	Filipino	Corporate Secretary	20	2003 - 2023

ROBERT JOHN L. SOBREPEÑA, Filipino, age 69, 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 73, 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 69, 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 68, 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 70, 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 57, 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 79, 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 67, 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.

JOSE WILFRIDO M. SUAREZ, Filipino, age 73, is a graduate of the University of Sto. Tomas with a degree in AB Political Science. He took up his Masters in Urban and Regional Planning at the University of the Philippines. He completed his Masters in National Security Administration from the National Defense College of the Philippines (NDCP). Mr. Suarez has also taken up units in doctor of Philosophy in Criminology (PhD) from the Philippine College of Criminology. He has over three (3) decades of Senior Management experience and presently does consulting works rendering services to clients on Risk Management, Safety and Security, Business Continuity, Disaster Preparedness, Security Audit among others. He also sits on the Board of Northern Manor Corporation and Northern Suites Corporation. He was the Senior Vice-President of Metro Rail Transit Development Corporation (MRTDC 1995-2003). He served as a Risk Management Consultant for Nestle Philippines Inc. (2005-2016). He also acted as consultant to Century Properties Group and Megaworld Corporation. Mr. Suarez is a reserved Lieutenant Colonel with the Philippine Air Force (PAF), Armed Forces of the Philippines (AFP). He is also a member of the Board of Trustees of the National Defense College of the Philippines Alumni Association (NDCPAAl) 2009-2022.

GILBERT RAYMUND T. REYES, Filipino, age 65, 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 2022 and 2021 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	2022	14.9 Million	-	-	14.9 Million
B.	All other officers and directors as group unnamed	2022	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	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. Sobrepena, Chief Executive Officer Atty. Ferdinand T. Santos, President Rafael 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

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			Php50,000.00
Atty. Ferdinand T. Santos	President			Php50,000.00
Noel M. Cariño	Director			Php33,000.00
Rafael Perez de Tagle	Director			Php50,000.00
Roberto S. Roco	Director			Php57,000.00
Jaime M. Cacho	Director			Php33,000.00
Francisco C. Gonzalez	Director, Independent			Php77,000.00
Jose Wilfrido M. Suarez	Director, Independent			Php22,000.00
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 2022		Php16.0M		0
Group Compensation 2021		Php20.6M		0
Group Compensation 2020		Php4.07M		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, 2022, 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	1,757,690,196	87.88%
	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	100,564,633	5.03%

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 100,564,633 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	.012%
	Ferdinand T. Santos	1,000	Filipino	.000%
	Noel M. Cariño	1,506,500	Filipino	.075%
	Solita S. Alcantara	15,000	Filipino	.001%
	Jaime M. Cacho	1	Filipino	
	Alice Odchigue-Bondoc	1	Filipino	
	Roberto S. Roco	1	Filipino	
	Rafael Perez de Tagle Jr.	1,000	Filipino	.000%
	Jose Wilfrido M. Suarez	1	Filipino	
	Francisco C. Gonzales	1,000	Filipino	.000%
	TOTAL	**1,765,504**		**.088%**

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

Postponement of Annual Stockholders' Meeting.

As is of public knowledge, there was a COVID surge in January and February of 2022 which forced our offices to lockdown as well as of its accountants, auditors, corporate secretaries and third parties with whom the Corporation had transactions requiring disclosures in the Corporation's audited financial statements. The COVID surge made impossible for the months of January and February for the Corporation to undertake the various confirmations and reconciliations with our subsidiaries, accountants, auditors, corporate secretaries and third parties. By March 2022, our Corporation had to focus its limited resources to finalize its audited financial statements were still in the process of finalization and could not yet be reported to its stockholders in March 2022.

At present, the Company is in the midst of exploratory talks with local governments for the company's new business directions.

As these are prospects which would have significant impact to the Company's future business, management is of the opinion that we would report on these projects to our stockholders when the discussions are more firm. For this reason, the Company is looking at the 4th quarter of this year on December within which to holds its 2022 Annual Meeting via remote communication. The venue for our Chairman to preside that Annual Meeting shall be at our principal office at 1/F Renaissance Towers, Meralco Avenue, Pasig City.

2) 2022 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)

RAMON G. JIMENEZ

Contact Person

86336205 loc. 804

Company Telephone Number

1 2	3 1	**Reply Letter to SEC Show Cause Letter Dated 27 June 2022**	**1st Thursday of March**
Month	Day	FORM TYPE	Month Day
fiscal year			Annual Meeting

Listed

Secondary License Type, If Appplicable

MSRD

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. **July 1, 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number: **9124** 3. BIR Tax Identification No. **000-194-408-000**

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

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

6. (SEC Use Only)
   Industry Classification Code:

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

8. **(632) 8633-6205**
   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 and Amount of Debt Outstanding
Common Shares	**2,000,000,000 share**

11. Indicate the item numbers reported herein: Item 9 (a) (12)

Postponement of Annual Stockholders' Meeting.

As is of public knowledge, there was a COVID surge in January and February of 2022 which forced our offices to lockdown as well as of its accountants, auditors, corporate secretaries and third parties with whom the Corporation had transactions requiring disclosures in the Corporation's audited financial statements. The COVID surge made impossible for the months of January and February for the Corporation to undertake the various confirmations and reconciliations with our subsidiaries, accountants, auditors, corporate secretaries and third parties. By March 2022, our Corporation had to focus its limited resources to finalize its audited financial statements in time for April/May 2022 deadline filings. For this reason, the Corporation could not have been able to schedule its 2022 Annual Meeting in March, 2022 as its audited financial statements were still in the process of finalization and could not yet be reported to its stockholders in March, 2022.

At present, the Company is in the midst of exploratory talks with local governments for the company's new business directions.

As these are prospects which would have significant impact to the Company's future business, management is of the opinion that we would report on these projects to our stockholders when the discussions are more firm. For this reason, the Company is looking at the 4th quarter of this year on December within which to hold its 2022 Annual Meeting via remote communication. The venue for our Chairman to preside that Annual Meeting shall be at our principal office at 1/F Renaissance Towers, Meralco Avenue, Pasig City.

SIGNATURES

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: July 1, 2022

By:

RAMON G. JIMENEZ
Vice President & CFO

REPUBLIC OF THE PHILIPPINES)
) S.S.
PASIG CITY.

SECRETARY'S CERTIFICATE

I, **ALICE ODCHIGUE-BONDOC,** of legal age, Filipino, with office address at the Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, after having been duly sworn in accordance with law, hereby depose and state that:

1. I am the Assistant Corporate Secretary of **METRO GLOBAL HOLDINGS CORPORATION**, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City (the "Corporation");

2. During the special meeting of the Board of Directors of the said Corporation held on **1 July 2022,** at which meeting a quorum was present and acting throughout, the following resolution was unanimously approved and adopted:

> **"RESOLVED, That the Corporation approve the resetting of the Corporation's Annual Stockholders' Meeting from 3 March 2022 to 9 December 2022 at 10:00am, which meeting shall be held via remote communication, with the Chairman presiding at the Corporation's principal place of business at 1/F Renaissance Tower, Meralco Avenue, Pasig City."**

3. The foregoing resolution has not been revoked, amended nor in any manner modified, and accordingly, the same may be relied upon until a written notice to the contrary is issued by the Corporation.

IN WITNESS WHEREOF, I have hereunto affixed my signature this JUL 01 2022 day of ______ at PASIG CITY.

ALICE ODCHIGUE-BONDOC
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUL 01 2022. Affiant exhibited to me her Integrated Bar of the Philippines Lifetime No. 014624.

Doc. No. 347;
Page No. 71;
Book No. 109;
Series of 2022.

FERDINAND D. AYAHAO
Notary Public
For Pasig City, Pateros and San Juan City
Appointment No. 108 (2022-2023) valid until 12/31/2023
MCLE Exemption No. VII-BEP003719 valid until 04/14/25.
Roll No. 16377; IBP LRN 02459; OR 535886; 06/21/2001
PTR 8129984; 01/05/22; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel.+632-86314090

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

							9	1	4	2

COMPANY NAME

METRO GLOBAL HOLDINGS
CORPORATION

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

MEZZANINE FLOOR,
RENAISSANCE TOWER,
MERALCO AVENUE, PASIG CITY

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number(s)	Mobile Number
relations@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

Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Metro Global Holdings Corporation and Subsidiaries
Mezzanine Floor, Renaissance Centre,
Meralco Avenue, Pasig City

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, 2022 and 2021, 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, 2022 and 2021;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2022;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2022;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2022; 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.

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), 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) 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 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 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

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

Isla Lipana & Co.

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 9, 2023, 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 November 14, 2025

Makati City
April 11, 2023

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

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, 2022, on which we have rendered the attached report dated April 11, 2023. 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
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 9, 2023, 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 November 14, 2025

Makati City
April 11, 2023

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

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 December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 11, 2023. 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 December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

Isla Lipana & Co.

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 9, 2023, 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 November 14, 2025

Makati City
April 11, 2023

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

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, 2022, on which we have rendered the attached report dated April 11, 2023.

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 eighteen (818) shareholders each owning one hundred (100) or more shares as at December 31, 2022.

Isla Lipana & Co.

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 9, 2023, 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 November 14, 2025

Makati City
April 11, 2023

ANNEX "A-1"

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, 2022, 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 APR 17 2023 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

Doc. No.: 468 ;
Page No.: 96 ;
Book No.: XXXI;
Series of 2023

ATTY. ELISEO S. CALMA, JR.
Notary Public for Q.C. /Until Dec. 31, 2024
Roll No. 50183
PTR No. 4007172D/Jan. 03, 2023/Q.C.
IBP No. 257225, Jan. 01, 2023
MCLE Comp. No. VII-0006924(09/21/2021-04/14/2025)
Adm. Matter No. NP-062(2022-2023)
20 Kamagong St., Sapamanai Vill. East Fairview Q.C.
TIN: 138-541-197-000

Metro Global Holdings Corporation and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Notes	2022	2021
ASSETS			
Current assets			
Cash	2	1,343,801	1,944,204
Trade and other receivables	3	18,569,428	7,494,090
Other current assets	4	1,583,430	489,752
Total current assets		21,496,659	9,928,046
Non-current assets			
Due from related parties	3	892,803,244	892,803,244
Financial assets at fair value through OCI	5	3,061,220,078	3,062,291,051
Investment in associates	6	19,071,383	13,667,401
Intangible asset, net	7	682,935	710,252
Deferred tax asset	13	1,607,251	1,411,672
Total non-current assets		3,975,384,891	3,970,883,620
Total assets		3,996,881,550	3,980,811,666
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Accrued expenses and other current liabilities	8	406,034,711	390,861,037
Non-current liabilities			
Due to a stockholder	14	702,217,691	707,010,807
Due to other related parties	14	252,857,501	249,610,537
Total non-current liabilities		955,075,192	956,621,344
Total liabilities		1,361,109,903	1,347,482,381
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	415,580	1,486,553
Retained earnings		47,682,082	44,168,747
Total stockholders' equity		2,635,771,647	2,633,329,285
Total liabilities and stockholders' equity		3,996,881,550	3,980,811,666

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

Metro Global Holdings Corporation and Subsidiaries

Consolidated Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2022
(All amounts in Philippine Peso)

	Notes	2022	2021	2020
Share in profit of associates	6	19,526,017	7,680,162	5,987,239
Depot royalty income	10	19,546,766	7,887,684	9,329,483
General and administrative expenses	11	(35,571,235)	(31,958,915)	(12,659,211)
Income (loss) from operations		3,501,548	(16,391,069)	2,657,511
Other income (expense)				
Other income (expense), net	12	11,787	20,410,195	(92,386)
Dividend income	5	-	2,606,190,497	-
		11,787	2,626,600,692	(92,386)
Income before tax		3,513,335	2,610,209,623	2,565,125
Income tax benefit (expense)	13	-	4,971,938	(1,679,307)
Net income for the year		3,513,335	2,615,181,561	885,818
Other comprehensive (loss) income				
Item that will not be reclassified to profit or loss				
Fair value (loss) gain on financial assets at fair value through OCI	5	(1,070,973)	355,209	615,037
Total comprehensive income for the year		2,442,362	2,615,536,770	1,500,855
Basic and diluted earnings per share	15	0.0018	1.3085	0.0004

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

Metro Global Holdings Corporation and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2022
(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, 2020	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 as 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
Profit for the year	-	-	-	3,513,335	3,513,335
Other comprehensive loss for the year	-	-	(1,070,973)	-	(1,070,973)
Total comprehensive income for the year	-	-	(1,070,973)	3,513,335	2,442,362
Balances at December 31, 2022	1,998,553,181	589,120,804	415,580	47,682,082	2,635,771,647

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

Metro Global Holdings Corporation and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2022
(All amounts in Philippine Peso)

	Notes	2022	2021	2020
Cash flows from operating activities				
Net income before tax		3,513,335	2,610,209,623	2,565,125
Adjustment for:				
Unrealized foreign exchange (gain) loss		(22,449)	(37,677)	16,171
Amortization expense	7,11	27,317	27,317	27,317
Interest income	2,12	(666)	(4,069)	(3,893)
Dividend income	5,14	-	(2,606,190,497)	-
Share in net income of associates	6	(19,526,017)	(7,680,162)	(5,987,239)
Operating loss before working capital changes		(16,008,480)	(3,675,465)	(3,382,519)
(Increase) Decrease in:				
Trade and other receivables		(11,075,338)	1,368,919	19,933,819
Other current assets		(1,265,513)	(445,730)	(522,609)
Increase in:				
Accrued expense and other current liabilities		15,173,674	5,692,542	2,218,482
Net cash (absorbed by) generated from operations		(13,175,657)	2,940,266	18,247,173
Interest received	2	666	4,069	3,893
Income taxes paid		(23,744)	(1,072,892)	(2,497,073)
Net cash (used in) provided by operating activities		(13,198,735)	1,871,443	15,753,993
Cash flows from financing activities				
Advances from other related parties	14	17,368,999	35,873,631	13,725,328
Settlement of amounts due to a stockholder	14	(4,793,116)	(37,822,513)	(28,538,085)
Net cash provided by (used in) financing activities		12,575,883	(1,948,882)	(14,812,757)
Net (decrease) increase in cash		(622,852)	(77,439)	941,236
Cash at January 1		1,944,204	1,983,966	1,058,901
Effect of foreign exchange rate changes in cash		22,449	37,677	(16,171)
Cash at December 31		1,343,801	1,944,204	1,983,966

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

Metro Global Holdings Corporation and Subsidiaries

Notes to Financial Statement
As at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022
(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 as disclosed in Note 1.2.

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:

	2022	2021
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 10 employees as at December 31, 2022 (2021 - 9).

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% 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 April 11, 2023.

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 incorporation	Main activity
	2022	2021	2020		
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%	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

The Group consistently implemented health and safety protocols within its operations in response to COVID-19 pandemic. Management has assessed that the carrying amount of assets are recoverable as at reporting date, and that the pandemic has no significant impact on the Group's financial position, results, and cash flows as at the end of the reporting period.

Note 2 - Cash

Cash as at December 31 consists of:

	2022	2021
Cash on hand	36,201	36,201
Cash in banks	1,307,600	1,908,003
	1,343,801	1,944,204

Cash accounts with banks generally earn interest at rates based on daily bank deposit rates. Interest income earned from cash in banks amounted to P666 in 2022 (2021 - P4,069) (Note 12).

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

Trade and other receivables as at December 31 consist of:

	2022	2021
Trade receivables - third party	18,569,428	7,493,300
Others	-	790
	18,569,428	7,494,090

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	2022	2021
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	892,685,883
		898,118,179	898,118,179
Allowance for impairment		(5,314,935)	(5,314,935)
		892,803,244	892,803,244

There is no movement in allowance for impairment of due from related parties for the years ended December 31, 2022 and 2021.

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:

	2022	2021
Creditable withholding tax	1,116,949	311,446
Input VAT	466,481	178,306
	1,583,430	489,752

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:

	2022	2021
Unquoted equity securities	3,058,238,916	3,058,238,916
Quoted equity securities	2,981,162	4,052,135
	3,061,220,078	3,062,291,051

5.1 Unquoted equity securities

Unquoted equity securities as at December 31, 2022 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	12.7%	15.8%	28.5%	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, 2022 and 2021 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, 2022 and 2021, 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:

	2022	2021	2020
Acquisition cost	2,565,582	2,565,582	2,565,582
Cumulative change in fair value			
Beginning of the year	1,486,553	1,131,344	516,307
Change in the fair value during the year	(1,070,973)	355,209	615,037
End of the year	415,580	1,486,553	1,131,344
	2,981,162	4,052,135	3,696,926

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 2022	Ownership interest 2021	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, 2022 and 2021, 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, 2022 and 2021 consists of investment in MRTDC amounting to P19,071,383 (2021 - P13,667,401). As at December 31, 2022 and 2021, 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:

	2022	2021	2020
At January 1	13,667,401	5,987,239	-
Share in net income of MRTDC	19,526,017	7,680,162	5,987,239
Dividends from MRTDC	(14,122,035)	-	-
At December 31	19,071,383	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.

On November 22, 2022, MRTDC declared dividends to its shareholder amounting to P89,550,000, of which P14,122,035 pertains to the Group's share. The dividends were applied against the liability to MRTDC, representing outstanding cash advances received from MRTDC presented under due to other related parties in the statement of financial position (Note 14).

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

	2022	2021
Current assets	499,479,521	341,916,611
Non-current assets	12,402,602	14,215,243
Current liabilities	(236,756,220)	(112,064,376)
Non-current liabilities	(151,305,905)	(154,358,134)
Net assets	123,819,998	89,709,344

Statements of total comprehensive income

	2022	2021
Revenue	381,632,097	238,902,775
Net income	123,660,654	48,639,403
Other comprehensive income	-	-
Total comprehensive income	123,660,654	48,639,403

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:

	2022	2021
Net assets	123,819,998	89,709,344
Group's equity interest	15.79%	15.79%
Group's share of net asset	19,551,178	14,165,105
Other equity adjustment	(479,795)	(497,704)
Carrying value, December 31	19,071,383	13,667,401

The Group has made a reclassification of the share in net income of MRTDC for the years ended December 31, 2021 and 2020 from other income to income from operations in the statement of total comprehensive income to conform to the current year presentation.

These reclassifications have no impact in the statement of financial position as at December 31, 2021, and statement of cash flows for the years ended December 31, 2021 and 2020.

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, 2022 and 2021 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, 2020	
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
For the year ended December 31, 2022	
Opening net carrying amount	710,252
Amortization	(27,317)
Closing net carrying amount	682,935
At December 31, 2022	
Cost	901,471
Accumulated amortization	(218,536)
Net carrying amount	682,935

Note 8 - Accrued expenses and other current liabilities

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

	2022	2021
Advances from MPIC	350,000,000	350,000,000
Accrued expenses	55,024,761	40,038,566
Payable to regulatory agencies	1,009,950	822,471
	406,034,711	390,861,037

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, 2022 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, 2022 and 2021.

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, 2022 and 2021 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, 2022 amounting to P19,546,766 (2021 - P7,887,684; 2020 - P9,329,483) 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	2022	2021	2020
Salaries and wages		15,982,031	20,327,228	5,398,091
Transportation and travel		4,997,611	5,396,832	2,686,300
IT expense		3,545,487	-	-
Taxes and licenses		2,723,897	1,351,960	1,281,269
Legal		2,770,847	371,748	598,684
13th month pay		2,095,532	1,698,532	455,232
Professional and retainer's fee		2,076,021	1,641,236	1,287,322
Directors' fees		507,895	554,035	410,936
Amortization expense	7	27,317	27,317	27,317
Telephone, telegraphic, and postage		12,987	12,161	850
Others		831,610	577,866	513,210
		35,571,235	31,958,915	12,659,211

Salaries and wages include compensation paid to executive officers seconded by the Parent Company from FEMI who joined the Parent Company starting September and 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	2022	2021	2020
Gain (loss) on foreign exchange, net		11,121	406,126	(96,279)
Interest income	2	666	4,069	3,893
Exclusivity fee		-	20,000,000	-
		11,787	20,410,195	(92,386)

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.

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 years ended December 31, 2022 and 2021 using the updated rate of 25% (2020 - pro-rated rate reckoned from July 1, 2020 (retrospective effect) 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 expense (benefit)

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

	2022	2021	2020
Current	-	(5,237,684)	1,679,307
Deferred	-	265,746	-
	-	(4,971,938)	1,679,307

The Parent Company used regular current income for purposes of the income tax calculation for the taxable year 2022 and 2021, and Optional Standard Deduction (OSD) for taxable year 2020, while the subsidiaries used regular current income for the taxable years 2022, 2021 and 2020.

Deferred income tax (DIT)

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

	2022	2021	2020
Allowance for impairment of other receivables	1,328,734	1,328,734	1,594,480
MCIT	278,517	82,938	-
	1,607,251	1,411,672	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.

The details of the Group's minimum corporate income tax (MCIT) calculated at 1% as at December 31 are as follows:

Year of incurrence	Year of expiration	2022	2021
2021	2024	82,938	82,938
2022	2025	195,579	-
		278,517	82,938

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	2022	2021
2020	2025	1,252,083	1,252,083
2021	2026	3,660,990	3,660,990
2022	2025	16,012,348	-
		20,925,421	4,913,073
Applicable tax rate		25%	25%
Unrecognized DIT asset		5,231,355	1,228,268

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:

	2022	2021	2020
Income tax at tax rate of 25% for 2022 and 2021 and 30% for 2020	878,334	652,552,406	769,538
Adjustments for:			
Non-deductible expenses	250	1,029	799
Interest income subject to final tax	(167)	(1,017)	(1,068)
Share in net income of associates	(4,881,504)	(1,920,041)	(1,796,172)
Unrecognized NOLCO	4,003,087	915,247	375,625
Non-taxable income	-	(651,547,624)	-
Impact of OSD	-	-	2,330,585
Change in effective tax rate	-	125,804	-
Adjustment for current tax of prior periods	-	(5,097,742)	-
	-	(4,971,938)	1,679,307

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		
	2022	2021	2020	2022	2021	Ref
Due from related parties - non-current (Note 3)						
Reimbursement of expenses						(a)
MRTHI - investee	-	-	-	117,361	117,361	
MRTHII - investee	-	-	-	1,649,110	1,649,110	
Dividend receivable						
MRTHII - investee	-	891,036,773	-	891,036,773	891,036,773	(b)
	-	891,036,773	-	892,803,244	892,803,244	
Due to a stockholder						
Payments on behalf						
FEMI	4,793,116	37,822,513	28,538,085	(702,217,691)	(707,010,807)	(c)
Due to other related parties						
Advances						
MRTHI - investee	-	-	(8,198,827)	(221,939,234)	(221,939,234)	(d)
MRTHII - investee	-	(27,978,631)	-	-	-	(e)
MRTDC - associate	(17,368,999)	(7,895,000)	(5,526,501)	(30,918,267)	(27,671,303)	(f)
Dividend settlement						
MRTHII - investee	-	147,706,848	-	-	-	(b)
MRTDC - associate	14,122,035	-	-	-	-	(f)
	(3,246,964)	111,833,217	(13,725,328)	(252,857,501)	(249,610,537)	

(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 P4,793,116 were made during the year ended December 31, 2022 (2021 - P37,822,513). No conversion to equity was made during the year ended December 31, 2022 and 2021.

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, 2022 and 2021.

(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, 2022 and 2021.

(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. During the year ended December 31, 2022, MRTDC declared dividends to the Parent Company. This resulted in the reduction of the outstanding liability as set out in the details in Note 6. Outstanding 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, 2022.

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:

	2022	2021
As at December 31		
Investment in subsidiaries	441,833	1,110,799
Trade and other receivables	1,772,220	1,709,098
Accrued expense and other current liabilities	(1,429,459)	(1,338,217)
Due to related parties	(342,761)	(370,881)
For the year ended December 31		
Other expense, net	(33,742)	(668,966)

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 (loss) earnings per share (EPS) for the years ended December 31:

	2022	2021	2020
Net income	3,513,335	2,615,181,561	885,818
Divided by weighted average number of shares outstanding	1,998,553,181	1,998,553,181	1,998,553,181
Basic and diluted EPS	0.0018	1.3085	0.0004

The Parent Company has no potential dilutive ordinary shares for the years ended December 31, 2022 and 2021. 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	2022	2021
At amortized cost			
Cash	2	1,343,801	1,944,204
Trade and other receivables	3	18,569,428	7,493,300
Due from related parties	3	898,118,179	898,118,179
		918,031,408	907,555,683
At FVOCI			
Unquoted equity securities	5	3,058,238,916	3,058,238,916
Quoted equity securities	5	2,981,162	4,052,135
		3,061,220,078	3,062,291,051
		3,979,251,486	3,969,846,734

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, 2022 and 2021 amounted to P5,314,935.

Financial liabilities

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

	Notes	2022	2021
Advances from MPIC	8	350,000,000	350,000,000
Accrued expenses	8	55,024,761	40,038,566
Due to a stockholder	14	702,217,691	707,010,807
Due to other related parties	14	252,857,501	249,610,537
		1,360,099,953	1,346,659,910

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
2022			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	55,024,761	-	55,024,761
Due to a stockholder	-	702,217,691	702,217,691
Due to other related parties	-	252,857,501	252,857,501
	405,024,761	955,075,192	1,360,099,953
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

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
2022					
Cash	1,307,600	-	1,307,600	Performing	12-month ECL
Trade and other receivables					
Group 1	18,569,428	-	18,569,428	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
	917,995,207	(5,314,935)	912,680,272		
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		

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, 2022 and 2021 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, 2022 and 2021. 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	2022	2021
Equity			
Share capital	9	1,998,553,181	1,998,553,181
Additional paid-in capital		589,120,804	589,120,804
Retained earnings		47,682,082	44,168,747
		2,635,356,067	2,631,842,732
Debt			
Due to a stockholder	14	702,217,691	707,010,807
Due to related parties	14	252,857,501	249,610,537
		955,075,192	956,621,344
		3,590,431,259	3,588,464,076

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, 2022 that are relevant to and have a material impact on the Group's consolidated financial statements.

New standards, amendments and interpretations not yet adopted

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

  The amendments clarify that liabilities are classified as either current or non-current, 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 waiver or a breach of covenant). The amendments also clarify what the standard 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: Making Materiality Judgments - 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:

  a. right-of-use assets and lease liabilities, and
  b. decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

  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, 2022 and 2021 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 P615,424,152 (2021 - P626,594,392) and P221,604,519 (2021 - P665,576,140), determined using discounted cash flow approach by applying current market interest rates of 5.42% (2021 - 3.51%) (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, 2022 and 2021 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, 2022

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, 2022

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	-	710,431	124
Rizal Commercial Banking Corporation	-	251,142	428
United Coconut Planters Bank	-	346,027	114
Cash on hand	-	36,201	-
Total cash and cash equivalents	-	1,343,801	666
Trade receivables	-	18,569,428	-
Other receivables			
Receivable from Monumento Rail	-	5,314,935	-
Advances to MRTHI	-	117,362	-
Advances to MRTHII	-	892,685,882	-
	-	918,031,408	666
Financial asset through other comprehensive income			
Unquoted equity securities	11,856,311	3,058,238,916	-
Quoted equity securities	5,781,917	2,981,162	-
Total financial assets		3,979,251,486	666

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, 2022

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	892,685,883	-	-	-	-	892,685,883	892,685,883
Total due from related parties	892,803,244	-	-	-	-	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, 2022.*

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, 2022

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	1,338,217	91,242	-	-	1,429,459	-	1,429,459
MGHC Royal Holdings Corporation	370,881	-	(28,120)	-	342,761	-	342,761
Total	1,709,098	91,242	(28,120)	-	1,772,220	-	1,772,220

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG TERM DEBT
DECEMBER 31, 2022

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, 2022

Name of related party	Balance at beginning of the period	Balance at the end of the period
Fil-Estate Management, Inc	707,010,807	702,217,691
Metro Rail Transit Holdings, Inc. I	221,939,234	221,939,234
MRT Development Corporation	27,671,303	30,918,267
	956,621,344	955,075,192

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2022

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, 2022

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	2,000,000,000	1,998,553,181	-	1,759,750,194	1,765,504	238,484,302

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATOR
DECEMBER 31, 2022

	December 31, 2022	December 31,2021
Current ratio[a]	0.05:1	0.03:1
Acid Test ratio[b]	2.25:1	2.31:1
Solvency ratio[c]	0.003:1	1.94:1
Debt-to-equity ratio[d]	0.52:1	0.51:1
Asset-to-equity ratio[e]	1.52:1	1.51:1
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]	0.0018:1	1.3085:1
Book value per share[j]	1.32:1	1.32:1
Return on assets[k]	0.0009:1	0.952:1
Return on equity[l]	0.0013:1	1.97:1
Net Profit Margin[m]	0.09:1	167.49:1

[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/ Gross income from operations

METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION
DECEMBER 31, 2022

Metro Global Holdings Corporation

Reconciliation of Parent Company Retained Earnings Available for Dividend Declaration

As at December 31, 2022
(All amounts in Philippine Peso)

Unappropriated deficit at beginning of the year as shown in the Parent Company's separate financial statements	44,833,144
Net income during the year closed to retained earnings	5,519,081
Less: Non-actual/unrealized income net of tax	
Equity in net income of associate/joint venture	(19,526,017)
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	(14,006,936)
Add: Release of retained earnings appropriation	-
Effects of prior period adjustments	-
Dividend from associate/joint venture	14,122,035
Less: Treasury shares	-
Appropriation of retained earnings during the period	-
Dividend declarations during the period	-
Unappropriated retained earnings, as adjusted, ending	44,948,243

ANNEX "A-2"

Metro Global Holdings Corporation

Separate Financial Statements
As at and for the years ended December 31, 2022 and 2021

Independent Auditor's Report

To the Board of Directors and Shareholders of
Metro Global Holdings Corporation
Mezzanine Floor, Renaissance Tower,
Meralco Avenue, Pasig City

Report on the Audits of the Separate Financial Statements

Our Opinion

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of Metro Global Holdings Corporation (the "Company") as at December 31, 2022 and 2021, and its financial performance and cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The separate financial statements of the Company comprise:

- the statements of financial position as at December 31, 2022 and 2021;
- the statements of total comprehensive income for the years ended December 31, 2022 and 2021;
- the statements of changes in equity for the years ended December 31, 2022 and 2021;
- the statements of cash flows for the years ended December 31, 2022 and 2021; and
- the notes to the 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 Separate Financial Statements section of our report.

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

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the 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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T: +63 (2) 8845 2728, F: +63 (2) 8845 2806, www.pwc.com/ph

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 21 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

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

Isla Lipana & Co.

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 9, 2023, 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 November 14, 2025

Makati City
April 11, 2023

Metro Global Holdings Corporation

Statements of Financial Position
As at December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Notes	2022	2021
ASSETS			
Current assets			
Cash	2	787,546	1,204,682
Trade and other receivables	3	18,569,428	7,494,090
Other current assets	4	1,353,039	472,502
Total current assets		20,710,013	9,171,274
Non-current assets			
Due from related parties	3,15	894,232,703	894,141,461
Financial assets at fair value through OCI	5	3,061,220,078	3,062,291,051
Intangible asset, net	8	682,935	710,252
Investment in associates	6	19,071,383	13,667,401
Investment in subsidiaries	7	408,091	441,833
Deferred tax asset	14	1,607,251	1,411,672
Total non-current assets		3,977,222,441	3,972,663,670
Total assets		3,997,932,454	3,981,834,944
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Accrued expenses and other current liabilities	9	404,072,711	390,849,037
Non-current liabilities			
Due to a stockholder	15	702,217,691	707,010,807
Due to other related parties	15	253,200,262	249,981,418
Total non-current liabilities		955,417,953	956,992,225
Total liabilities		1,359,490,664	1,347,841,262
Stockholders' equity			
Share capital	10	1,998,553,181	1,998,553,181
Additional paid-in capital	10	589,120,804	589,120,804
Fair value reserve	5	415,580	1,486,553
Retained earnings		50,352,225	44,833,144
Total stockholders' equity		2,638,441,790	2,633,993,682
Total liabilities and stockholders' equity		3,997,932,454	3,981,834,944

(The notes on pages 1 to 37 are integral part of these financial statements)

Metro Global Holdings Corporation

Statements of Total Comprehensive Income
For the years ended December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Notes	2022	2021
Share in profit of associates	6	19,526,017	7,680,162
Depot royalty income	11	19,546,766	7,887,684
General and administrative expenses	12	(33,531,623)	(31,877,137)
Income (loss) from operations		5,541,160	(16,309,291)
Other (expense) income			
Other (expense) income, net	13	(22,079)	19,740,729
Dividend income	5	-	2,606,190,497
		(22,079)	2,625,931,226
Income before tax		5,519,081	2,609,621,935
Income tax benefit	14	-	4,971,938
Net income for the year		5,519,081	2,614,593,873
Other comprehensive (loss) income			
Item that will not be reclassified to profit or loss			
Fair value (loss) gain on financial assets at fair value through OCI	5	(1,070,973)	355,209
Total comprehensive income for the year		4,448,108	2,614,949,082
Basic and diluted earnings per share	16	0.0018	1.3085

(The notes on pages 1 to 37 are integral part of these financial statements)

Metro Global Holdings Corporation

Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Share capital (Note 10)	Additional paid-in capital (Note 10)	Fair value reserve (Note 5)	Retained earnings (deficit)	Total
Balances at January 1, 2021	1,998,553,181	589,120,804	1,131,344	(2,569,760,729)	19,044,600
Profit for the year	-	-	-	2,614,593,873	2,614,593,873
Other comprehensive income for the year	-	-	355,209	-	355,209
Total comprehensive income for the year	-	-	355,209	2,614,593,873	2,614,949,082
Balances at December 31, 2021	1,998,553,181	589,120,804	1,486,553	44,833,144	2,633,993,682
Profit for the year	-	-	-	5,519,081	5,519,081
Other comprehensive loss for the year	-	-	(1,070,973)	-	(1,070,973)
Total comprehensive income for the year	-	-	(1,070,973)	5,519,081	4,448,108
Balances at December 31, 2022	1,998,553,181	589,120,804	415,580	50,352,225	2,638,441,790

(The notes on pages 1 to 37 are integral part of these financial statements)

Metro Global Holdings Corporation

Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Notes	2022	2021
Cash flows from operating activities			
Income before tax		5,519,081	2,609,621,935
Adjustment for:			
Unrealized foreign exchange gain		(22,449)	(37,677)
Amortization expense	8,12	27,317	27,317
Impairment loss on investment in subsidiaries	7	33,742	668,966
Interest income	2,13	(542)	(3,569)
Dividend income	5,15	-	(2,606,190,497)
Share in net income of associates	6	(19,526,017)	(7,680,162)
Operating loss before working capital changes		(13,968,868)	(3,593,687)
(Increase) decrease in:			
Trade and other receivables		(11,075,338)	1,368,918
Other current assets		(1,052,372)	(442,415)
Due from related parties		(91,242)	(40,188)
Increase in:			
Accrued expense and other current liabilities		13,223,674	5,680,542
Cash (used in) from operations		(12,964,146)	2,973,170
Interest received	2	542	3,569
Cash paid for income taxes		(23,744)	(1,072,892)
Net cash (used in) from operating activities		(12,987,348)	1,903,847
Cash flows from financing activities			
Advances from related parties	15	17,340,879	35,858,591
Settlement of amounts due to a stockholder	15	(4,793,116)	(37,822,513)
Net cash from (used in) financing activities		12,547,763	(1,963,922)
Net decrease in cash		(439,585)	(60,075)
Cash at January 1		1,204,682	1,227,080
Effect of foreign exchange rate changes in cash		22,449	37,677
Cash at December 31		787,546	1,204,682

(The notes on pages 1 to 37 are integral part of these financial statements)

Metro Global Holdings Corporation

Notes to the Separate Financial Statements
As at and for the years ended December 31, 2022 and 2021
(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 "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 Company'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 Company, changing its name from Fil-Estate Corporation to Metro Global Holdings Corporation. The amendments were intended to identify the group of companies under the "Metro Group" and establish the affiliation of the Company with its affiliate infrastructure companies, which likewise had the word "Metro" in their corporate names.

The trading of 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 as disclosed in Note 1.2.

The 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:

	2022	2021
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 Company's registered office address, which is also its principal place of business, is at Mezzanine Floor, Renaissance Centre, Meralco Avenue, Pasig City. The Company has 10 employees in 2022 (2021 - 9 employees).

1.2 Expansion of the Company'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 Company to expand its investment into a business engaged in renewable energy generation facilities, a growth area the Company intends to pursue.

On November 20, 2018, the Board authorized the Company to enter into a Memorandum of Agreement with FEMI whereby the 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 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 Company, as discussed in detail in Note 10.

As of report date, the 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 Company were approved and authorized for issuance by the Company's Board of Directors (BOD) on April 11, 2023.

1.4 Impact of COVID-19 pandemic

The Company consistently implemented health and safety protocols within its operations in response to COVID-19 pandemic. Management has assessed that the carrying amount of assets are recoverable as at reporting date, and that the pandemic has no significant impact on the Company's financial position, results, and cash flows as at the end of the reporting period.

Note 2 - Cash in banks

Cash in banks as at December 31, 2022 amounted to P787,546 (2021 - P1,204,682). These accounts generally earn interest at rates based on daily bank deposit rates. Interest income earned from cash in banks amounted to P542 in 2022 (2021 - P3,569) (Note 13).

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

Trade and other receivables as at December 31 consist of:

	2022	2021
Trade receivables - third party	18,569,428	7,493,300
Others	-	790
	18,569,428	7,494,090

Trade receivable pertains to the royalty income from depot developments in TriNoma and billed to North Triangle Depot Commercial Corporation (NTDCC) (Note 11). 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	2022	2021
Due from related parties	15		
Monumento Rail Transit Corporation (Monumento Rail)		5,314,935	5,314,935
Metro Renewable Transport Solutions, Inc. (MRTSI)		1,429,459	1,338,217
Metro Rail Transit Holdings, Inc. (MRTHI)		117,361	117,361
Metro Rail Transit Holdings II, Inc. (MRTHII)		892,685,883	892,685,883
		899,547,638	899,456,396
Allowance for impairment		(5,314,935)	(5,314,935)
		894,232,703	894,141,461

There is no movement in allowance for impairment of due from related parties for the years ended December 31, 2022 and 2021.

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 Company 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 Company'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:

	2022	2021
Creditable withholding tax	1,116,949	311,446
Input VAT	236,090	161,056
	1,353,039	472,502

Creditable withholding tax is related to the depot royalty income from NTDCC (Note 11).

Note 5 - Financial assets at fair value through OCI

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

	2022	2021
Unquoted equity securities	3,058,238,916	3,058,238,916
Quoted equity securities	2,981,162	4,052,135
	3,061,220,078	3,062,291,051

5.1 Unquoted equity securities

Unquoted equity securities as at December 31, 2022 consist of investments in MRTHI and MRTHII. The Company's ownership interests in MRTHI and MRTHII as at December 31 are as follows:

Investee	Interest	Indirect Interest	Effective Interest	Nature of Business
MRTHI	18.6%	-	18.6%	Holding Company
MRTHII	12.7%	15.8%	28.5%	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 estimates, assumptions, 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 Company has assessed that the cost of investments in MRTHI and MRTHII amounting to P3,058,238,916 as at December 31, 2022 and 2021 represents the best estimate of fair value of those investments.

The Company assesses whether the cost is the best estimate of fair value of investments in MRTHI and MRTHII. In making the assessment, the Company 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 Company 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 Company'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, 2022 and 2021, the Company has assessed that the cost of investments in MRTHI and MRTHII represents the best estimate of fair value of those investments. In addition, the Company 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 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 Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTHII. Further, the Company holds a put option to use the shares of stocks of MRTHI and MRTH II to pay-off its net advances from FEMI pursuant to the "Letter of Agreement" as discussed in (b) below.

The Company'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 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 Company 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 Company's share in the ERPs of the LRTS Phase 1 Project of MRTC.

Notwithstanding the sale of future share distributions, the Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTHII in compliance with the various agreements related to the sale of share of future share distributions mentioned above, as well as the Company's obligation under the Agreement of MRTC with DOTC whereby the original shareholders of MRTHI and 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 Company and the other shareholders.

(b) Letter of agreement

On August 18, 2005, the Company and FEMI entered into a "Letter of Agreement", whereby FEMI has agreed to grant the Company the sole option to assign to FEMI its equity interests in MRTHI and MRTHII as settlement of the 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 Company in relation to the said advances. Under the "Letter of Agreement," should the Company opt to sell the said investments to third party or parties in the future, FEMI has the right of first refusal to purchase the said investments at its prevailing market value.

(c) Dividend income

On December 13, 2021, MRTHII declared dividends to its shareholders, of which P2,606,190,497 pertains to the Company'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 15);
(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 Company and other participating shareholders of MRTHI and MRTHII as described in (a) above, the 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 15). 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:

	2022	2021
Acquisition cost	2,565,582	2,565,582
Cumulative change in fair value		
Beginning of the year	1,486,553	1,131,344
Change in the fair value during the year	(1,070,973)	355,209
End of the year	415,580	1,486,553
	2,981,162	4,052,135

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

Investment in associates as at December 31 consists of:

	Country of incorporation	Ownership interest		Main activity and registered place of business
		2022	2021	
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 Centre, 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, 2022 and 2021, 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, 2022 consists of investment in MRTDC amounting to P19,071,383 (2021 - P13,667,401). As at December 31, 2022 and 2021, 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:

	2022	2021
At January 1	13,667,401	5,987,239
Share in net income of MRTDC	19,526,017	7,680,162
Dividends from MRTDC	(14,122,035)	-
At December 31	19,071,383	13,667,401

On December 20, 2018, the 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.

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 Company in the form of cash dividends or repayment of loans or advances.

On November 22, 2022, MRTDC declared dividends to its shareholder amounting to P89,550,000, of which P14,122,035 pertains to the Company's share. The dividends were applied against the liability to MRTDC, representing outstanding cash advances received from MRTDC presented under due to other related parties in the statement of financial position (Note 15).

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

	2022	2021
Current assets	499,479,521	341,916,611
Non-current assets	12,402,602	14,215,243
Current liabilities	(236,756,220)	(112,064,376)
Non-current liabilities	(151,305,905)	(154,358,134)
Net assets	123,819,998	89,709,344

Statements of total comprehensive income

	2022	2021
Revenue	381,632,097	238,902,775
Net income	123,660,654	48,639,403
Other comprehensive income	-	-
Total comprehensive income	123,660,654	48,639,403

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

Reconciliation of summarized financial information

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

	2022	2021
Net assets	123,819,998	89,709,344
Equity interest	15.79%	15.79%
Share of net assets	19,551,178	14,165,105
Other equity adjustment	(479,795)	(497,704)
Carrying value, December 31	19,071,383	13,667,401

The Company has made a reclassification of the share in net income of MRTDC for the year ended December 31, 2021 from other income to income from operations in the statement of total comprehensive income to conform to the current year presentation.

This reclassification have no impact in the statement of financial position as at December 31, 2021 and statement of cash flows for the year ended December 31, 2021.

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, 2022 and 2021 are not recoverable.

Note 7 - Investment in subsidiaries

Investments in subsidiaries as at December 31 consist of:

	Percentage of ownership			
	2022	2021	2022	2021
MGHC Royal Holdings Corporation (MGHC Royal)	99	99	612,738	612,738
Metro Renewable Transport Solutions, Inc. (MRTSI)	99	99	625,001	625,001
			1,237,739	1,237,739
Allowance for impairment			(829,648)	(795,906)
			408,091	441,833

The movement in allowance for impairment for the years ended December 31 are as follows:

	Note	2022	2021
At January 1		795,906	126,940
Impairment loss	13	33,742	668,966
At December 31		829,648	795,906

The Company's investments in subsidiaries are carried at cost less allowance for impairment. The carrying value is reviewed and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Due to recurring losses of MGHC Royal, the Company recognized an impairment loss for its investment in MGHC Royal amounting to P33,742 for the year ended December 31, 2022 (2021 - P43,966). No further impairment loss was recognized for the Company's investment in MRTSI as its investment account is carried at nil due to MRTSI's capital deficiency (2021 - P625,000). The impairment loss is recognized under other income (expense), net in the statement of total comprehensive income. The recoverable amount of MGHC Royal and MRTSI was determined by reference to the fair value less cost of disposal. Since the measurement of recoverable amount of MGHC Royal and MRTSI involves use of significant unobservable input, the fair value was classified as a Level 3 fair value. The fair value less cost of disposal was determined using fair values of net assets of MGHC Royal and MRTSI, which consists mainly of financial assets. The disclosure of unobservable inputs and sensitivity analysis were not provided as management assesses that the amount of investment in subsidiaries and related impairment loss are immaterial.

MGHC Royal

On May 19, 2017, the Company incorporated MGHC Royal and contributed a total of P2,499,500 for 99% ownership interest. 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. MGHC Royal's registered office address and place of business is at Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City.

MRTSI

On October 23, 2020, the Company incorporated MRTSI and contributed a total of P2,500,000 for 99% ownership interest. 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. Its registered office address and place of business is at Mezzanine Floor, Renaissance Towers, Meralco Avenue, Barangay Ugong, Pasig City 1604.

Note 8 - Intangible asset, net

Depot royalty rights

On August 22, 2006, the Board of Directors of Monumento Rail Transit Corporation (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 Company executed the Redemption and Deeds of Assignment of the latter's redeemable preferred shares, giving the 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 Company.

As a result of the redemption, the Company recognized a Depot royalty right intangible asset which represents the 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 Company is entitled to receive 28.47% of royalties corresponding to 5% of the gross receipts of the rental income (Note 11) 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.

The cost of depot royalty rights upon initial recognition amounted to P901,471 which is equivalent to the value of the 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, 2021	
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
For the year ended December 31, 2022	
Opening net carrying amount	710,252
Amortization	(27,317)
Closing net carrying amount	682,935
At December 31, 2022	
Cost	901,471
Accumulated amortization	(218,536)
Net carrying amount	682,935

Note 9 - Accrued expenses and other current liabilities

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

	2022	2021
Advances from MPIC	350,000,000	350,000,000
Accrued expenses	53,062,761	40,026,566
Payable to regulatory agencies	1,009,950	822,471
	404,072,711	390,849,037

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 Company and Fil-Estate Companies with MPIC.

Cooperation agreement

On November 12, 2010, the Company, Fil-Estate Properties, Inc. (FEPI) and FEMI (collectively termed as the 'Fil-Estate Companies') entered into a Cooperation Agreement with Metro Pacific Investment Corporation (MPIC) relating to the Fil-Estate Companies' rights and interests in the MRT Companies. The cooperation has the following objectives: (i) explore solutions that will enable the expansion of the MRT-3 system through financially and legally viable means, and (ii) to transfer the interests of the Fil-Estate Companies in the MRT Companies, subject to obtaining the necessary consents from the relevant parties. Under the Cooperation Agreement, the Fil-Estate Companies shall appoint MPIC as its attorney-in-fact in connection with the exercise of the rights and interests of the Fil-Estate Companies in the MRT Companies. 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, 2022 has not yet occurred.

As the 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, 2022 and 2021.

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 10 - Equity

Share capital

The details of share capital as at December 31, 2022 and 2021 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 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.

   Fil-Estate Management, Inc. (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 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 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 of the Company.

Planned increase in authorized capital stock

On September 24, 2018, the BOD approved the 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 Company. As at report date, the Company is awaiting the approval of the SEC for the planned increase in authorized capital stock.

Note 11 - Depot royalty income

Depot royalty income for the year ended December 31, 2022 amounting to P19,546,766 (2021 - P7,887,684) represents the Company's 28.47% share of 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 12 - General and administrative expenses

This account consists of the following:

	Note	2022	2021
Salaries and wages		15,982,031	20,327,228
Transportation and travel		4,997,611	5,394,230
IT expense		3,545,487	-
Taxes and licenses		2,683,888	1,325,402
13th month pay		2,095,532	1,698,532
Professional and retainer's fee		1,851,021	1,619,236
Legal		1,004,226	371,748
Directors' fees		507,895	554,035
Amortization expense	8	27,317	27,317
Telephone, telegraphic, and postage		12,987	12,161
Others		823,628	547,248
		33,531,623	31,877,137

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

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

Note 13 - Other (expense) income, net

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

	Notes	2022	2021
Gain on foreign exchange, net		11,121	406,126
Interest income	2	542	3,569
Impairment loss on investment in subsidiary	7	(33,742)	(668,966)
Exclusivity fee		-	20,000,000
		(22,079)	19,740,729

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

Exclusivity fee

On February 8, 2021, the 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 Company. On July 5, 2021, the 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.

Note 14 - 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 Company prepared its annual income tax return for the year ended December 31, 2022 and 2021 using the updated rate of 25%.

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 separate 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

The components of income tax benefit as shown in the total comprehensive income for the years ended December 31 are as follows:

	2022	2021
Current	-	(5,237,684)
Deferred	-	265,746
	-	(4,971,938)

The Company used regular current income for purposes of the income tax calculation for the taxable year 2022 and 2021.

Deferred income tax (DIT)

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

	2022	2021
Allowance for impairment of other receivables	1,328,734	1,328,734
MCIT	278,517	82,938
	1,607,251	1,411,672

For the year ended December 31, 2021, the Company 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.

The details of the Company's minimum corporate income tax (MCIT) calculated at 1% as at December 31 are as follows:

Year of incurrence	Year of expiration	2022	2021
2021	2024	82,938	82,938
2022	2025	195,579	-
		278,517	82,938

The Company 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	2022	2021
2021	2026	1,062,032	1,062,032
2022	2025	14,006,478	-
		15,068,510	1,062,032
Applicable tax rate		25%	25%
Unrecognized DIT asset		3,767,128	265,508

Reconciliation of pre-tax income to tax expense

The reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense (benefit) follows:

	2022	2021
Income tax at statutory income tax rate of 25%	1,379,770	652,405,484
Adjustments for:		
Non-deductible expenses	250	1,041
Interest income subjected to final tax	(136)	(892)
Share in net income of investment in associate	(4,881,504)	(1,920,041)
Unrecognized NOLCO	3,501,620	1,062,032
Non-taxable income	-	(651,547,624)
Change in effective tax rate	-	125,804
Adjustment for current tax of prior periods	-	(5,097,742)
	-	(4,971,938)

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 Company 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 Company'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 Company 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 Company will be able to generate sufficient future taxable income against which the temporary differences can be applied, except for NOLCO which is unrecognized.

Note 15 - Related party transactions and balances

Transactions and balances with related parties are presented as follows:

	Transactions		Balances		
	2022	2021	2022	2021	Ref
Due from related parties - non-current (Note 3)					
Reimbursement of expenses					(a)
MRTSI - subsidiary	91,242	40,188	1,429,459	1,338,217	
MRTHI - investee	-	-	117,361	117,361	
MRTHII - investee	-	-	1,649,110	1,649,110	
Dividend receivable					
MRTHII - investee	-	891,036,773	891,036,773	891,036,773	(b)
	91,242	891,076,961	894,232,703	894,141,461	
Due to a stockholder					
Payments on behalf					
FEMI	4,793,116	37,822,513	(702,217,691)	(707,010,807)	(c)
Due to other related parties					
Advances					
MGHC Royal - subsidiary	28,120	15,040	(342,761)	(370,881)	(d)
MRTHI - investee	-	-	(221,939,234)	(221,939,234)	(e)
MRTHII - investee	-	(27,978,631)	-	-	(f)
MRTDC - associate	(17,368,999)	(7,895,000)	(30,918,267)	(27,671,303)	(g)
Dividend settlement (non-cash)					
MRTHI - investee	-	147,706,848	-	-	(b)
MRTDC - associate	14,122,035	-	-	-	(g)
	(3,218,844)	111,848,257	(253,200,262)	(249,981,418)	

(a) Reimbursement of expenses

Receivables from MRTSI, MRTHI and MRTHII represent expenses paid by the Company 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 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, but 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 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 P4,793,116 was made during the year ended December 31, 2022 (2021 - P37,822,513). No conversions to equity were made during the year ended December 31, 2022 and 2021.

On November 2, 2018, the Company entered into a Repayment Agreement with FEMI for the repayment of advances to the latter. To enable the Company to make its repayments to the extent of P300.0 million, the Company assigns to FEMI for a period of fifteen (15) years commencing on January 30, 2021 and ending on January 30, 2034, its receipts from depot royalty income. On April 11, 2019, the BOD of the Company passed a resolution approving the Company's agreement with FEMI that in consideration of FEMI not charging interest on the outstanding obligations of the Company, the Company agreed to partially repay the advances from FEMI by way of allocating to FEMI dividends and other income from affiliates of the Company in addition to the assignment of depot royalties.

FEMI, in its letter of support to the Company, committed not to demand payment of the amount due from the Company for a period of at least twelve (12) months from reporting date or until such time that the Company has the ability to pay in accordance with the Repayment Agreement above. As the Company 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, 2022 and 2021.

(d) Advances from MGHC Royal

Outstanding amounts payable to MGHC Royal arose from advances to the Company for settlement of outstanding obligations. Amounts are unsecured, non-interest bearing, and are to be offset against the Company's share of future dividends of MGHC Royal, 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, 2022 and 2021.

(e) Advances from MRTHI

Outstanding amounts payable to MRTHI arose from advances to Company for settlement of outstanding obligations. Amounts are unsecured, non-interest bearing, and are to be offset against the 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, 2022 and 2021.

(f) Advances from MRTHII

Amounts payable to MRTHII arose from advances to Company for settlement of outstanding obligations. During the year ended December 31, 2021, MRTHII declared dividends to the 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).

(g) Advances from MRTDC

Outstanding amounts payable to MRTDC arose from advances to Company for settlement of outstanding obligations. During the year ended December 31, 2022, MRTDC declared dividends to the Company. This resulted in the reduction of the outstanding liability as set out in the details in Note 6. Outstanding amounts are unsecured, non-interest bearing, and are to be offset against the 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, 2022.

Material related party transactions policy

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

Note 16 - Earnings per share

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

	2022	2021
Consolidated net income of MGHC and subsidiaries	3,513,335	2,615,181,561
Divided by weighted average number of shares outstanding	1,998,553,181	1,998,553,181
Basic and diluted EPS	0.0018	1.3085

The Company has no potential dilutive ordinary shares for the years ended December 31, 2022 and 2021. Therefore, the amounts reported for basic and diluted earnings per share are the same.

Note 17 - Segment reporting

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

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 Company's management assesses the performance and allocates the resources of the Company as a whole, as all of the Company'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 Company are presently solely derived from its activities in the Philippines.

Note 18 - 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 Company 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 15)
- 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 15)
- Measurement of unquoted equity instruments - cost as an estimate of fair value (Note 5)
- Recoverability of investment in associates (Note 6)
- Income taxes (Note 14)

Note 19 - Financial risk management objectives and policies

19.1 Components of financial assets and financial liabilities

Financial assets

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

	Notes	2022	2021
At amortized cost			
Cash in banks	2	787,546	1,204,682
Trade and other receivables	3	18,569,428	7,493,300
Due from related parties	3	899,547,638	899,456,396
		918,904,612	908,154,378
At FVOCI			
Unquoted equity securities	5	3,058,238,916	3,058,238,916
Quoted equity securities	5	2,981,162	4,052,135
		3,061,220,078	3,062,291,051
		3,980,124,690	3,970,445,429

Trade and other receivables exclude other receivables which are subject to liquidation. Due from related parties are presented gross of allowance for impairment. Allowance for impairment as at December 31, 2022 and 2021 amounted to P5,314,935.

Financial liabilities

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

	Notes	2022	2021
Advances from MPIC	9	350,000,000	350,000,000
Accrued expenses and other current liabilities	9	53,062,761	40,026,566
Due to a stockholder	15	702,217,691	707,010,807
Due to other related parties	15	253,200,262	249,981,418
		1,358,480,714	1,347,018,791

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

19.2 Financial risk factor

The Company'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 Company'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 Company's financial performance.

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

19.2.1 Liquidity risk

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

The Company 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 Company'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 Company is also able to defer payments of some of its due to related party balances.

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

The table below presents the Company's financial liabilities as at December 31:

	Within 12 Months	More than 12 months	Total
2022			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	53,062,761	-	53,062,761
Due to a stockholder	-	702,217,691	702,217,691
Due to related parties	-	253,200,262	253,200,262
	403,062,761	955,417,953	1,358,480,714
2021			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	40,026,566	-	40,026,566
Due to a stockholder	-	707,010,807	707,010,807
Due to related parties	-	249,981,418	249,981,418
	390,026,566	956,992,225	1,347,018,791

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

19.2.2 Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Company by failing to discharge an obligation. Significant changes in the economy that may represent a concentration in the Company'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 Company 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 Company'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 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
2022					
Cash in banks	787,546	-	787,546	Performing	12-month ECL
Trade and other receivables					
Group 1	18,569,428	-	18,569,428	Collective assessment	Lifetime ECL
Due from related parties					
Group 2	894,232,703	-	894,232,703	Performing	12-month ECL
Group 3	5,314,935	(5,314,935)	-	Credit impaired	Lifetime ECL
	918,904,612	(5,314,935)	913,589,677		
2021					
Cash in banks	1,204,682	-	1,204,682	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	894,141,461	-	894,141,461	Performing	12-month ECL
Group 3	5,314,935	(5,314,935)	-	Credit impaired	Lifetime ECL
	908,154,378	(5,314,935)	902,839,443		

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 Company 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.

None of the fully performing financial assets have been renegotiated during the years ended December 31, 2022 and 2021. The Company does not hold any collateral as security to the above financial assets.

Credit quality of the Company's financial assets

Cash in banks

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

Receivables

Group 1 - The Company's receivables under Company 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 Company records a provision for impairment of receivables that are assessed to have a significant probability of becoming uncollectible. The assessment is based on the Company's knowledge of the collectability of the account, nature of dispute and the creditworthiness of the customer.

19.2.3 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 Company's functional currency.

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

19.3 Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern, while maximizing the return on investments of stockholders. The Company 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 Company 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	2022	2021
Equity			
Share capital	10	1,998,553,181	1,998,553,181
Additional paid-in capital	10	589,120,804	589,120,804
Retained earnings		50,352,225	44,833,144
		2,638,026,210	2,632,507,129
Debt			
Due to a stockholder	15	702,217,691	707,010,807
Due to related parties	15	253,200,262	249,981,418
		955,417,953	956,992,225
		3,593,444,163	3,589,499,354

Note 20 - Summary of significant accounting policies

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

20.1 Basis of preparation

The separate financial statements of the Company 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 separate financial statements have been prepared under the historical cost convention except for financial assets at FVOCI.

The preparation of separate financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 18.

The Company has also prepared consolidated financial statements in accordance with PFRS. In the consolidated financial statements, undertakings of Metro Global Holdings Corporation and its subsidiaries have been fully consolidated. The consolidated financial statements can be obtained from the Company's business address in Meralco Ave., Pasig City or from the SEC.

Users of these separate financial statements should read these together with the Group's consolidated financial statements as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 in order to obtain full information on the financial position, results of operations and changes in financial position of the Group as a whole.

20.2 Changes in accounting policies and disclosures

There are no new standards, amendments and interpretations which are effective for the financial year beginning January 1, 2022 that are relevant to and have a material impact on the Company's separate financial statements.

New standards, amendments and interpretations not yet adopted

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

  The amendments clarify that liabilities are classified as either current or non-current, 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 waiver or a breach of covenant). The amendments also clarify what the standard 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 Company does not expect the amendments to have a significant impact on the Company's separate financial statements.

- PAS 1 and PFRS Practice Statement 2: Making Materiality Judgments - 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 Company does not expect the amendments to have a significant impact on the Company's separate 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 Company does not expect the amendments to have a significant impact on the Company's separate 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:

  a. right-of-use assets and lease liabilities, and
  b. decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

  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 Company does not expect the amendments to have a significant impact on the Company's separate financial statements.

20.3 Financial assets

Classification

The Company 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 Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company 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 Company's financial assets at amortized cost category includes cash in banks (Note 2), trade and other receivables (Note 3), and due from related parties (Notes 3 and 15).

The Company 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 Company's did not hold financial assets at FVTPL.

Recognition and subsequent measurement

The Company recognizes a financial asset in the statement of financial position when the Company 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 Company assesses whether the cost is the best estimate of fair value of financial assets at FVOCI. In making the assessment, the Company 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 Company 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 Company 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 statement of total comprehensive income.

Loss allowances of the Company 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 Company 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 Company 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 Company 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 Company's historical experience and informed credit assessment and includes forward-looking information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company 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 Company 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 Company 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 Company 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 Company'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 Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in the statement of total comprehensive income and presented in other gains/(losses).

20.4 Financial liabilities

Classification

The Company 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 Company as at fair value through profit or loss upon initial recognition. Management determines the classification of its financial liabilities at initial recognition.

The Company 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 Company. 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 Company's other financial liabilities at amortized cost consist of accrued expenses and other current liabilities (excluding withholding tax payable and payable to government agencies) (Note 9), due to a stockholder (Note 15), and due to other related parties (Note 15).

Recognition and measurement

The Company recognizes a financial liability in the statement of financial position when, and only when, the Company 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.

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

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry 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 Company is the current bid price. These instruments are included in Level 1. The Company'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 Company'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, 2022 and 2021 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 P615,424,152 (2021 - P626,594,392) and P221,604,519 (2021 - P221,219,479), determined using discounted cash flow approach by applying current market interest rates of 5.42% (2021 - 3.51%) (Level 2), based on the expected settlement of the amounts by the end of the BLT Agreement in July 2025.

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

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

The fair value of a non-financial asset is measured based on its highest and best use. The carrying value of the Company'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.

20.6 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 Company or the counterparty. The Company does not have financial assets and liabilities that are covered by enforceable master netting arrangements and other similar agreements.

20.7 Cash

Cash includes 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.

20.8 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 Company 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 Company'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.

20.9 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 Company 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.

20.10 Investment in associate

Associates are all entities over which the Company 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 Company's investment in associates includes goodwill identified on acquisition. Any excess of the Company'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 Company'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 Company'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 Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company 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 Company and its associates are eliminated to the extent of the Company'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 Company.

20.11 Investment in subsidiaries

A subsidiary is an entity which is controlled by the Company. The control means that the Company can govern the financial and operating policies of its subsidiaries to gain benefits from the operations of subsidiary. The Company controls an investee if and only if the Company has all the following:

(a) power over the investee;
(b) exposure, or rights, to variable returns from its involvement with the investee; and
(c) the ability to use its power over the investee to affect the amount of the investor's returns.

Investment in subsidiaries are accounted for using the cost method. Under this method, investments are recognized at cost and income from investment is recognized in profit or loss only to the extent that the investor receives distribution from accumulated profits of the investee arising after the acquisition date. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as reduction of the cost of the investment.

Investment in subsidiary is derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company determines at each reporting date whether there are impairment indicators relating to investment in the subsidiaries. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value and recognizes any impairment loss in profit or loss.

Investments in subsidiaries are carried at cost, less any provision for impairment.

20.12 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 Company'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 8).

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.

20.13 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 Company 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 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.

20.14 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 Company 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.

20.15 Provisions and contingencies

Provisions are recognized when the Company 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 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.

20.16 Revenue recognition

Revenue is measured based on the transaction price specified in a contract with the customer. The Company 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 Company 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.

20.17 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.

20.18 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 Company 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 Company 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 Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognizes termination benefits when it is demonstrably committed to either:
(a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

20.19 Foreign currency transactions and translations

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Philippine pesos, which is the Company’s functional and presentation currency.

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.

20.20 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.

20.21 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 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.

20.22 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.

20.23 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.

20.24 Subsequent events

Subsequent events that provide additional information about the Company'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.

Note 21 - Supplementary information required by the Bureau of Internal Revenue (BIR)

The following information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

On December 28, 2010, Revenue Regulation (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by Philippine Financial Reporting Standards.

Below is the additional information required by RR No. 15-2010.

(i) Output value-added tax (VAT)

Output VAT declared for the year ended December 31, 2022 and the revenues upon which the same was based consist of:

	Tax base	VAT
Vatable sales	7,887,684	946,522

The gross amount of revenues as shown above is based on gross receipts of the Company while the revenues shown in the statement of total comprehensive income is recognized and measured in accordance with the Company's accounting policy on revenue recognition (Note 20.16).

(ii) Input VAT

Movements in input VAT for the period ended December 31, 2022 are as follows:

	Amount
Beginning balance	161,056
Add: Current period's domestic purchases/payments for:	
Goods other than Capital Goods	11,514
Domestic purchase of services	279,785
Total input VAT for the year	452,355
Application against output VAT	(216,265)
Total input VAT	236,090

(iii) Importations

There were no importation transactions made for the year ended December 31, 2022.

(iv) Documentary stamp taxes

There were no documentary stamp taxes paid for the year ended December 31, 2022.

(v) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2022 consist of:

Business permit, clearance and licenses	310,727
Annual listing fee	250,000
Others	24,960
	585,687

The above local and national taxes are lodged under taxes and licenses account in general and administrative expenses (Note 12).

(vi) Withholding taxes

Withholding taxes accrued and paid as at and for the period ended December 31, 2022 follow:

	Paid	Accrued	Total
Withholding tax on compensation	4,391,743	911,686	5,303,429
Expanded withholding tax	43,775	13,860	57,635
	4,435,518	925,546	5,361,064

Withholding taxes payables above are presented as part of accrued expenses and other current liabilities in the statement of financial position (Note 9).

(vii) Tax assessments

The Company settled its deficiency tax assessment for taxable years 2006 to 2011 amounting to P2,098,201 (including interest and surcharge) during the year ended December 31, 2022.

(viii) Tax cases

The Company does not have outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR as at December 31, 2022.

ANNEX "A-3"

METRO GLOBAL HOLDINGS CORP.

2022 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, 2022
Highest Ranking Person responsible for this report	Mr. Robert John L. Sobrepeña, Chief Executive Officer Mr. 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) average daily ridership increased by 100% from 127,276 riders in 2021 to 273,141 in 2022.

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, 2022.

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, 2022.

Its subsidiaries, MGHC Royal and Metro Rail Transport Inc. are both not yet in commercial operation and have no employees as of December 31, 2022. 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 2022.

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

Depot royalty income for the year ended December 31, 2022 amounting to P19,546,766 (2021- P7,887,684; 2020 - P9,329,483) 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 ears rental income from the commercial center.

The Group's General and Administrative expenses increased by ₱3.6 million or 11.30%, from ₱31,958,915 in December 31, 2021 to ₱35,571,235 in December 31, 2022, largely due to IT expenses starting February 2022. IT . Salaries and wages include compensation paid to executive officers seconded by the Parent Company from FEMI who joined the Parent Company starting 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 (2022)
Direct economic value generated (revenue)	PhP	19,546,766.00
Direct economic value distributed:		
a. General and Administrative Expenses	PhP	14,432,830.15
b. Employee wages and benefits	PhP	18,409,166.00
c. Payments to suppliers, other operating costs	PhP	5,341.00
d. Dividends given to stockholders and interest payments to loan providers	PhP	
e. Taxes given to government	PhP	2,723,897.00
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*	**Which stakeholders are affected?**	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance*

operations and/or supply chain. ndicate involvement in the impact (i.e., caused by the organization or linked to impacts though its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable group)*	*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 continues to obtain support from FEMI to finance the Group's Operations.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
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	Parent Company	The group's overall risk management program focuses on the unpredictability of financial market, aims to achieve an appropriate balance between risk and return and sales to minimize potential adverse effects on the group's financial performance
The most important type of risk the Group's manages are are liquidity risks and credit risks. 1. **Liquidity Risk** arises from the possibility that the Group will encounter difficulty in raising funds to meet associated commitments with financial instruments.	Shareholders	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.
2. **Credit Risk.** The Company's exposure to **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 Company's significant concentration of credit risk is on its transactions with NTDCC, its sole customer.	Banks Customer - NTDCC	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.
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, 2022, 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 2 million 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, 2022, 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 P5 Billion and with additional subscription by FEMI to P750 million, the Company's Stockholder's Equity Balance is expected to continuously 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 complement 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, 2022, 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?	Which stakeholders are affected?	Management Approach *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)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*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	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

otherwise carry or have direct and intense emissions.		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? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)*	**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?*

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)		
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?	**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?*
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	20	62	Nil
Reusable	kg	1	1	2	Nil
Recyclable	kg		19	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? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

Environmental compliance

Non-compliance with Environmental Laws and Regulations

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

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

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

SOCIAL

SOCIAL

Overall, the Group has 40% female and 60% male representation.

Disclosure	Units	MGHC	MRTC	MRTDEVCO	MONUMENTO
		Quantity			
a. Number of female employees	#	5	1	6	0
b. Number of male employees	#	5	0	12	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? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The Company has no employee who is not an executive officer who is expected by the Company to make a significant contribution to the Business.	The Company 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. In 2022, the Group dedicated 232 hours on training employees.

Disclosure	Units	MGHC	MRTC	MRTDEVCO	MONUMENTO
		Quantity			
Total training hours provided to employees					
a. Female employees	hours	100	2	8	Nil
b. Male employees	hours	100		22	Nil
Average training hours provided to employees					
a. Female employees	hours/employee	20	2	1.3	Nil
b. Male employees	hours/employee	20		1.8	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.

<table>
<tr><th rowspan="2">Disclosure</th><th rowspan="2">Units</th><th>MGHC</th><th>MRTC</th><th>MRTDEVCO</th><th>MONUMENTO</th></tr>
<tr><th colspan="4">Quantity</th></tr>
<tr><td>% of employees covered with Collective Bargaining Agreements</td><td>%</td><td>nil</td><td>nil</td><td>nil</td><td>n/a</td></tr>
<tr><td>Number of consultations conducted with employees concerning employee-related policies</td><td>#</td><td>nil</td><td>nil</td><td>nil</td><td>n/a</td></tr>
<tr><td colspan="2">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)</td><td colspan="4">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?</td></tr>
<tr><td colspan="2">MGHC has ten (10) employees.</td><td colspan="4">Executive officers seconded by MGHC from FEMI received salaries and wages starting September and October 2021.</td></tr>
<tr><td colspan="2">What are the Risk/s Identified?

Identify risk/s related to material topic of the organization</td><td colspan="4">Management Approach</td></tr>
<tr><td colspan="2">In case unsure if action is not permitted by law or MGHC policy.</td><td colspan="4">We seek the advice of resource experts/consultants.</td></tr>
<tr><td colspan="2">What are the Opportunity/ies Identified?

Identify the opportunity/ies related to material topic of the organization</td><td colspan="4">Management Approach</td></tr>
<tr><td colspan="2">Not Applicable</td><td colspan="4">Not Applicable</td></tr>
</table>

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?	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?*
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

The Group consistently implemented health and safety protocols within the operations in response to COVID 19 pandemic

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

Identify the opportunity/ies related to material topic of the organization	
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

Metro Global Holdings (MGHC)'s 2022 Outreach Program

There are two major facets or components of this program that took place place primarily during the Holiday season towards the end of the year 2022.

Food Distribution:

The food distribution component involves the provision of nutritious meals to low-income families in impoverished communities primarily in Metro Manila, the seat of the company's operations. Food packages that consist of rice, canned goods, and other essential household items.

Toy and Gift-giving:

Here, specifically, Global Holdings Corporation collects donations from employees, and corporate partners to provide toys, school supplies, and other gifts for children living in earmarked communities of such need. Moreover, the program also organizes activities, such as arts and crafts, storytelling, and other interactive learning opportunities alongside the gift-giving event.

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

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

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

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

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

What are the Risk/s Identified *Identify risk/s related to material topic of the organization*	Management Approach

The depletion or destruction of natural resources is altogether a non-issue. None of the projects will require compensatory or remedial measures to restore natural resources and will spew any harmful by-products – gas emissions or solid and liquid secretions – into the earth's soil or atmosphere (such as would be the case in energy being generated from coal, for example).	MGCH will function sustainably to provide power to our country.
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Future objectives in various parts of the country such as Baguio in Benguet province, the NCR, Pililla in Rizal province and Iloilo in the Visayas will not be depleting the planet's natural resources during the company's operations, thus capturing the very definition of Sustainable Development, or "meeting the needs of the present without compromising the ability of future generations to meet their own needs" In the case of waste-to-energy initiatives in Baguio and in Manila, there will be the additional benefit of a significant reduction in extremely detrimental manmade waste, as large quantities of rubbish is converted to genuinely usable power	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? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The Company is a holding company and has no direct business operations that entail direct interaction with customers.	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Health and Safety

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

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

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

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

Marketing and labeling

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

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

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

Customer privacy

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

MRT Development Corporation (MRTDC) strictly adheres to its responsibility towards confidential information provided by its tenants and advertisers. Unless in cases authorized by law, the company is accountable and compelled to protect 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 (i.e., caused by the organization or linked to impacts through its business relationship)*	Management Approach *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Since 2007, the Company's securities are not traded due to voluntary suspension to allow the Company to re-align its business and explore new strategic directions.	Shareholders records are maintained by BDO Stock Transfer Agent.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to United Nations SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
The completely electrically-powered Metro Rail Transit Line 3 (MRT-3) accommodated 248,000 to 260,000 passengers a day in 2022, with an average daily fare collection of PHP2.7 million along its 13-station route from North Triangle to Taft Avenue along EDSA. In 2022, the total number of people who rode the MRT-3 line reached 98 Million passengers, which was more than double the 35.69 million travelers in 2021and 31.88 million travelers in 2020	MGHC's environmental sustainability practices was 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 2022). Approximately 1,450 buses a day as a result did not have to ply EDSA. The scenario wherein vehicular diesel engines emitted nitrogen compounds and particulate matter (hydrocarbons and carbon dioxide) as they burnt diesel fuel was significantly diminished because 248,000 to 260,000 passengers rode the MRT-3 daily instead of the aforementioned buses	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 (that are less costly to operate but produce carbon emissions into the atmosphere	The increase in ridership in 2022 came as the MRT-3 completed the massive rehabilitation of the rail line, which significantly improved its operations. The Company's response to this negative impact is for MRT-3 to try to generate its own power through renewable energy, if feasible. It this is not feasible, the Company can more than offset the negative impact by developing renewable energy sources such as solar and wind farms, hydroelectric 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

APR 17 2023

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

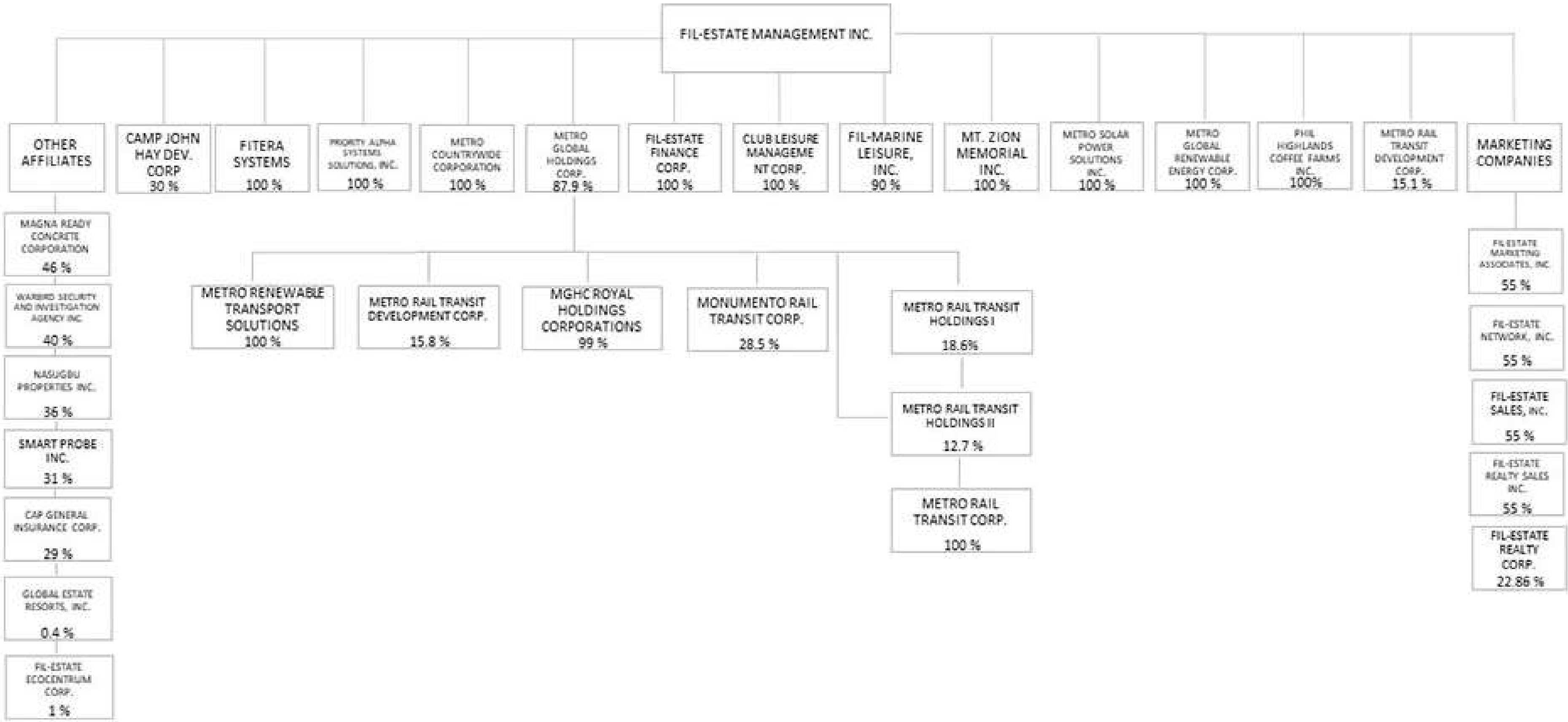
NAMES	**SSS NO.**
Robert John L. Sobrepeña	03-6449007-1
Atty. Ferdinand T. Santos	03-2643588-3
Alice O. Bondoc	33-1923852-8
Ramon G. Jimenez	03-6347637-1

ATTY. ELISEO S. CALMA, JR.
Notary Public for Q.C. /Until Dec. 31, 2024
Roll No. 50183
PTR No. 4007172D/Jan. 03, 2023/Q.C.
IBP No. 257825, Jan. 01, 2023
MCLE Comp. No. VII-0005924(09/21/2021-04/14/2025)
Adm. Matter No. NP-062(2022-2023)
20 Kamagong St., Sapamanai Vill. East Fairview Q.C.
TIN: 138-541-197-000

Doc. No.: 179;
Page No.: 36;
Book No.: XXXI;
Series of 2023

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, 2022



ANNEX "A-4"

COVER SHEET

9142
S.E.C. Registration Number

METRO GLOBAL HOLDINGS
CORPORATION
(Company's Full Name)

MEZZANINE FLOOR RENAISSANCE
TOWER MERALCO AVENUE
PASIG CITY
(Business Address: No. Street City/ Town/ Province)

RAMON G. JIMENEZ	(02) 633 - 6205
Contact Person	Company Telephone Number

1 2	3 1	SEC FORM 17Q (2nd Quarter of 2023)	0 6	3 0
Month	Day	FORM TYPE	Month	Day

2023
calendar year

Regitered/Listed
Secondary License Type, If Appplicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic | Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)b) THEREUNDER

1. For the quarterly period ended **June 30, 2023**

2. Commission identification number **9142** 3. BIR Tax Identification No **000-194-408-000**

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

Philippines
5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

Mezzanine Floor Renaissance Tower,
Meralco Avenue, Pasig City 1604
7. Address of registrant's principal office Postal Code

8. **(02)633-6248**
Issuer's telephone number, including area code

9. **Not applicable**
Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 n 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common stock - P 1 par value	**2,000,000,000 shares**

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes [**X**] No [ ]
If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine and Makati Stock Exchange **Common shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11of the RSA and SRA Rule 11(1a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports)
Yes [**X**] No [ ]

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

Yes [X] No [ ]

Metro Global Holdings Corporation and Subsidiaries
Consolidated Statement of Financial Position
As of June 30, 2023
(With Comparative Figures as of Calendar Year Ended December 31, 2022)

		June 30, 2023		December 31, 2022
ASSETS				
Current Asset				
Cash	₱	672,254	₱	1,343,801
Receivables		11,985,913		18,569,428
Other current assets		1,585,728		1,583,430
Total current assets		14,243,895		21,496,659
Non-current Assets				
Due from related parties		892,956,004		892,803,244
Financial assets at fair value through OCI		3,062,551,804		3,061,220,078
Intangible asset, net		669,276		682,935
Investment in Associates		27,953,316		19,071,383
Deferred Tax Asset		1,607,251		1,607,251
Total non-current assets		3,985,737,651		3,975,384,891
TOTAL ASSETS	**₱**	**3,999,981,546**	**₱**	**3,996,881,550**
LIABILITIES AND STOCKHOLDERS EQUITY				
Current Liabilities				
Accrued expense and other current liabilities	₱	408,573,858	₱	406,034,711
Total current liabilities		408,573,858		406,034,711
Noncurrent Liabilities				
Due to a stockholder		693,155,313		702,217,691
Due to other related parties		257,448,260		252,857,501
Total non-current liabilities		950,603,573		955,075,192
Total Liabilities		**1,359,177,431**		**1,361,109,903**
Stockholder's Equity				
Share Capital		1,998,553,181		1,998,553,181
Additional paid-in capital		589,120,804		589,120,804
Fair value reserve		1,747,307		415,580
Retained earnings		51,382,821		47,682,082
Total stockholders equity		**2,640,804,113**		**2,635,771,647**
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**₱**	**3,999,981,546**	**₱**	**3,996,881,550**

Metro Global Holdings Corporation and Subsidiaries

Consolidated Sstatement of Comprehensive Income

For the Quarter Ended June 30, 2023

(With Comparative Figures for the Six Months Ended June 30, 2023 & 2022)

		For the six months ended June 30		
		2023		2022
REVENUES				
Depot Royalty Income	₱	11,974,913	₱	7,897,441
Interest Income		753		459
Realized Forex Gain/Loss		-		13,507
Share in Net Profit of Associate		8,881,933		
EXPENSES				
Provision for Income Tax Expense				
General & Administrative Expenses		(17,156,861)		(16,207,881)
Net Income/(Loss) for the year	₱	3,700,738	₱	(8,296,472)
OTHER COMPREHENSIVE INCOME (LOSS)				
Fair value gain (loss) on financial assets at fair value through OCI		1,331,726		595,819
TOTAL COMPREHENSIVE INCOME /(LOSS)	**₱**	**5,032,464**	**₱**	**(7,700,653)**
INCOME/(LOSS) PER SHARE		**0.0019**		**(0.0042)**

Metro Global Holdings Corporation and Subsidiaries

Consolidated Statement of Income & Deficit

For the Quarter Ended June 30, 2023

(With Comparative Figures for the Six Months Ended June 30 and April to June 2023 & 2022)

	January to June		April to June	
	2023	2022	2023	2022
REVENUES				
Depot Royalty Income	11,974,913	7,897,441	6,128,679	7,897,441
Interest Income	753	459	266	244
Realized Forex Gain/Loss	-	13,507		8,430
Share in Net Profit of Associate	8,881,933		8,881,933	
EXPENSES				
General & Administrative expenses	(17,156,861)	(16,207,881)	(8,966,663)	(9,014,901)
NET INCOME /(LOSS)	3,700,738	(8,296,472)	6,044,216	(1,108,786)
RETAINED EARNINGS AT BEGINNING OF THE QUARTER	47,682,082	44,168,747	45,338,606	36,981,061
RETAINED EARNINGS AT END OF THE MONTH	51,382,821	35,872,275	51,382,821	35,872,275

****Note: LOSS PER SHARE**

The computation of loss per share is as follows:

	January to June		April to June	
	2023	2022	2023	2022
(a) Net Income/loss	3,700,738	(8,296,472)	6,044,216	(1,108,786)
(b) Weighted average number of shares outstanding	1,998,553,181	1,998,553,181	1,998,553,181	1,998,553,181
	0.0019	(0.0042)	0.0030	(0.0006)

Metro Global Holdings Corporation and Subsidiaries
Trailing 12 Months
For the Quarter Ended June 30, 2023

Year to Date June 2023 Net Income	3,700,738
Year to Date December 2022 Net Income	3,513,335
Year to Date June 2022 Net Loss	(8,296,472)
Trailing 12 mos Net Income	15,510,545
Weighted Average Number of Shares Outstanding	1,998,553,181
Trailing 12mos Earnings/(Loss) per Share (Basic)	0.00776

Metro Global Holdings Corporation and Subsidiaries

Aging of Receivables

For the Quarter Ended June 30, 2023

<u>RECEIVABLES FROM</u>	Less than 1 Year	1-3 years	3-5 years	5-7 years	Total
NTDCC	11,974,913				**11,974,913**
OTHERS	11,000				**11,000**
TOTAL	**11,985,913**	**-**	**-**	**-**	**11,985,913**

Metro Global Holdings Corporation and Subsidiaries

Cosolidated Statement of Changes in Capital Deficiency

For the Quarter Ended June 30, 2023

(With Comparative Figures for the Six Months Ended June 30, 2023 & 2022)

	For the six months ended June 30	
	2023	2022
CAPITAL STOCK	1,998,553,181	1,998,553,181
ADDITIONAL PAID IN CAPITAL	589,120,804	589,120,804
FAIR VALUE RESERVE		
Balance at beginning of the year	415,580	1,486,553
Other Comprehensive Income	1,331,726	595,819
Balance at end of the year	1,747,306	2,082,372
DEFICIT		
Balance at beginning of year	47,682,082	44,168,747
Net Income/(Loss)	3,700,738	(8,296,472)
Balance at end of year	51,382,821	35,872,275
	2,640,804,113	2,625,628,632

Metro Global Holdings Corporation and Subsidiaries

Consolidated Statement of Cash Flows

For the Quater Ended June 30, 2023

(With Comparative Figures for the Six Months Ended June 30, 2023 & 2022)

		Six Months Ended June 30		
		2023		2022
CASH FLOW FROM OPERATING ACTIVITIES				
Net Loss before income tax	₱	(5,181,195)	₱	(8,296,472)
Adjustments for:				
Increase (Decrease) in				
Receivables		6,583,515		(413,351)
Intangible assets, net		13,659		13,659
Other current assets		(2,298)		(260,338)
Accrued expenses and other current liabilities		2,539,147		9,371,207
Net cash used for operating activities		3,952,828		414,704
CASH FLOW FROM FINANCING ACTIVITIES				
Increase(Decrease) in				
Due to related parties		4,438,000		7,895,000
Due to stockholders		(9,062,378)		(9,291,772)
Net cash used in financing activitites		(4,624,379)		(1,396,772)
Net Increase (Decrease) in Cash		(671,551)		(982,067)
CASH AT BEGINNING OF YEAR		1,343,801		1,944,204
End of Period	₱	672,254	₱	962,138

1. Summary of Significant Accounting and Financial Reporting Policies

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 under 'Significant accounting judgments and estimates'.

Changes in Accounting Policies and Disclosures

There are no new standards, amendments and interpretations which are effective for the financial year beginning January 1, 2023 that are relevant to and have a material impact on the Group's consolidated financial statements.

New standards, amendments and interpretations not yet adopted

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

  The 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 waiver or a breach of covenant). The amendments also clarify what the standard 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: Making Materiality Judgments - 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.

  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.

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.

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, trade and other receivables, and due from related parties.

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 as 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.

<u>Write-off</u>

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.

<u>Derecognition</u>

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).

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), due to a stockholder, and due to other related parties.

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.

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.

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, 2022 and 2021 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 P615,424,152 (2021 - P626,594,392) and P221,604,519 (2021 – P665,576,140), determined using discounted cash flow approach by applying current market interest rates of 5.42% (2021 - 3.51%) (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.

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.

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 June 30, 2023, December 31, 2022 and 2021 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.

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.

Trade and other receivables, net

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

<u>Earnings per share</u>

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.

<u>Equity</u>

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.

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.

2. Significant Accounting Judgment and Estimate

The Company's financial statements prepared under PFRS require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Future events may occur which will cause the judgment and assumptions used in arriving at the estimates to change. The effects of any change in judgment and estimates are reflected in the financial statements as they become reasonably determinable.

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

<u>Judgments</u>

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Determination of Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The functional currency is the currency of the primary economic environment in which the Company operates.

Determination of Fair Value of Financial Assets and Financial Liabilities. Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

The fair value of financial assets amounted to ₱3.973 billion as at June 30, 2023 and ₱3.979 billion as at December 31, 2022. The fair value of financial liabilities amounted ₱1.343 billion as at June 30, 2023 and ₱1.360 billion as at December 31, 2022.

Determination of Fair Value of Financial Assets not Quoted in an Active Market. The Company determines whether a reliable measure of fair value is available for equity investments not quoted in an active market. If a reliable measure is not available or ceases to be available, the unquoted equity investments are measured at cost.

The fair values of the Company's investments in MRTHI and MRTH II cannot be reasonably determined as the shares are unquoted nor are there any expected future cash flows in view of the sale of future distributions and that the investments, pursuant to the "Letter of Agreement", will be used to settle the Company's liability to FEMI.

Determination of Impairment of AFS Financial Assets. The Company treats quoted AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Company treats "significant decline" when the difference between its cost and fair value is 20.0% or more and "prolonged decline" when the fair value of quoted equity securities is lower than its cost for more than twelve months. In making this judgment, the Company evaluates, among other factors, the normal volatility in share price for quoted equities.

There was no impairment for quoted equity securities as of June 30, 2023 and December 31, 2022 as there was no significant and prolonged decline in value. The carrying value of quoted equity securities amounted to ₱4.0 million and ₱3.0 million as at June 30, 2023 and December 31, 2022, respectively.

In the case of unquoted shares, AFS financial assets are considered impaired when management believes that future cash flows generated from the investment is expected to decline significantly. The Company's management makes significant estimates and assumptions on the future cash flows expected and the appropriate discount rate to determine impairment exists. Impairment may also be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

Unquoted equity securities as at December 31, 2022 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	12.7%	15.80%	28.5%	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, 2022 and 2021 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, 2022 and 2021, 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.

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 MRTH II 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.

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.

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 (Note 12). The dividends were discharged/settled as follows:

- 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;
- 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
- 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.

In addition, the Company also believes that other sources of realization of the carrying value of the AFS investments in unquoted equity shares will be from the following (a) the Company's share in any additional variable equity rental payments (ERP) received by MRTC from DOTC in the form of a ridership bonus or sharing scheme which were not included in the future share distributions sold and (b) the Company's share in the benefits arising from the residual rights in the expansion project. However, the benefits that can be derived from these cannot still be quantified and therefore not included in the calculation of impairment loss.

Estimate

The key assumption concerning future and other key source of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

Recognition of Deferred Tax Assets.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that sufficient taxable income will be generated to allow all or part of the deferred tax assets to be utilized.

Financial Risk Management Objectives and Policies

Financial Assets

Details of the Group's financial assets as at June 30, 2023 and December 31, 2022 as follows:

	Notes	2023	2022
At amortized cost			
Cash in banks	2	672,254	1,343,801
Trade and other receivables	3	11,985,913	18,569,428
Due from related parties	3	898,270,939	898,118,179
		910,929,106	918,031,408
At FVOCI			
Unquoted equity securities	5	3,058,238,916	3,058,238,916
Quoted equity securities	5	4,312,888	2,981,162
		3,062,551,804	3,061,220,078
		3,973,480,910	3,979,251,486

Trade and other receivables exclude other receivables which are subject to liquidation. Due from related parties are presented gross of allowance for impairment. Allowance for impairment as at June 30, 2023 and December 31, 2022 amounted to P5,314,935.

Financial liabilities

Details of the Group's financial liabilities, at amortized cost, as at June 30, 2023 and December 31, 2022 are as follows:

	Notes	2023	2022
Advances from MPIC	8	350,000,000	350,000,000
Accrued expenses	8	42,391,331	55,024,761
Due to a stockholder	14	693,155,313	702,217,691
Due to other related parties	14	257,448,260	252,857,501
		1,342,994,904	1,360,099,953

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

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.

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 as at June 30, 2023 and December 31, 2022:

	Within 12 Months	More than 12 months	Total
2023			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	42,391,331	-	42,391,331
Due to a stockholder	-	693,155,313	693,155,313
Due to related parties	-	257,448,260	257,448,260
	392,391,331	950,603,573	1,342,994,904
2022			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	55,024,761	-	55,024,761
Due to a stockholder	-	702,217,691	702,217,691
Due to related parties	-	252,857,501	252,857,501
	405,024,761	955,075,192	1,360,099,953

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

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 June 30, 2023 and December 31, 2022, 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
2023					
Cash in banks	636,053	-	636,053	Performing	12-month ECL
Trade and other receivables					
Group 1	11,985,913	-	11,985,913	Collective assessment	Lifetime ECL
Due from related parties					
Group 2	892,956,004	-	892,956,004	Performing	12-month ECL
Group 3	5,314,935	(5,314,935)	-	Credit impaired	Lifetime ECL
	910,892,905	(5,314,935)	905,577,970		
2022					
Cash in banks	1,307,600	-	1,307,600	Performing	12-month ECL
Trade and other receivables					
Group 1	18,569,428	-	18,569,428	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
	917,995,207	(5,314,935)	912,680,272		

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.

None of the fully performing financial assets have been renegotiated during the years ended December 31, 2022 and 2021. The Group does not hold any collateral as security to the above financial assets.

No impairment loss was recognized as at June 30, 2023.

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's 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 and the creditworthiness of the customer.

Foreign currency exchange risk

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

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

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:

	June 30, 2023	December 31, 2022
Equity		
Share capital	1,998,553,181	1,998,553,181
Additional paid-in capital	589,120,804	589,120,804
Retained earnings	42,500,887	47,682,082
	2,630,174,872	2,635,356,067
Debt		
Due to a stockholder	693,155,313	702,217,691
Due to related parties	257,448,260	252,857,501
	950,603,573	955,075,192
	3,580,778,445	3,590,431,259

The Group continuously conducts an internal review of its capital and financial risk management objective and policies.

3. Other Information

With regards to debt and equity securities, there were no issuances and/or repurchases incurred in the second quarter ended, June 30, 2023.

The Group has not made any reorganization, entered into any merger or consolidation or any business combinations. Also, the Group was not involved in any acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations since the last reporting period of December 31, 2022.

As of December 31, 2022 up to this quarter period reporting (June 30, 2023), no contingent liabilities or contingent assets have been declared.

PART 1 – FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

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.

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

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

The Group's main source of income has been its share in the lease rental income termed as "Depot Royalty Income" that it receives annually from North Triangle Depot Commercial Corporation (NTDCC). The Group recognized depot royalties of P 19.5 million in 2022, P 7.9 million in 2021 and P9.3 million in 2020.

During the past two years, the Group posted net operating income of P3.5 million in 2022 and P2.6 billion in 2021.

The Group's Retained earnings also posted an increase of P3.5 million in 2022, in view of the ₱3.5 million net income recognized by the Group in 2022.

The Group continues to recognize a Stockholders Equity balance of P2.635 billion in 2022. This had increased slightly when compared to the December 31, 2021 balance of P2.633 billion.

During the regular meeting of the Board of Directors of the Parent Company held on September 24, 2018, the Board approved to (i) increase the Authorized Capital Stock of the Parent Company from P2,000,000,000 divided into 2,000,000,000 shares with a par value of One Peso (P1.00) per share to P5,000,000,000 divided into 5,000,000,000 shares with a par value of One Peso (P1.00) per share (ii) that out of the P3,000,000,000 increase in the Authorized Capital Stock, the amount of P750,000,000 representing 750,000,000 common shares at par value of P1.00 per share shall be subscribed by FEMI and (iii) that out of the said subscription, the amount of P500,000,000 representing 500,000,000 common shares at par value of P1.00 per share shall be fully paid through offset of outstanding payables of the Parent Company to FEMI to the extent of P500,000,000.

With the additional subscription by FEMI to P750 million, divided into 750 million shares at P1.00 per share, the Parent Company's Stockholders Equity balance is expected to result in a positive balance of approximately P725 million.

***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 Parent 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 P200.15 million, into equity shares equivalent to 200,150,000 shares at P1.00 par value.

Infusion of Certain Properties

On April 12, 2012, the Parent Company accepted the infusion by FEMI of certain properties of Mt. Zion Memorial, Inc. (MZMI) worth P500.0 million in shares of the Parent Company at P1.00 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 P2,500.0 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 P1.00 per share.

Cooperation Agreement. On November 12, 2010, the MGHC, 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 June 30, 2023 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 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 P901,471 based on par value P.05 per share which is the price per share at time of redemption. In accordance with the Articles of Incorporation of Monumento Rail, the holder of the redeemable preferred shares is given the privilege of a right to receive Depot Royalty pro-rata to the percentage of shareholdings of redeemable shares held by each shareholder of record thereof as at August 22, 2006.

As a result of the redemption, the Parent Company recognized a Depot royalty right intangible asset amounting 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.

As at December 31, 2022, 2021 and 2020, the Parent Company recognized its share in lease rental income from the Trinoma Mall, classified as depot royalty income in the financial statements, of ₱19,546,766, ₱7,887,684 and ₱9,329,483, respectively. This represents 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 (MRTDEVCO) and companies who are parties to a Vested Rights Agreement dated May 22, 1995, whereby MRTDEVCO agreed to assign to parties of the Vested Rights Agreement the development rights to specific developable areas of the 16-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 MRTDEVCO 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 Company.

Lease Agreement

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

Assumption and Accession Agreement

On October 29, 2015, as a condition for Global- Estate Resorts, Inc. (GERI) to enter into a Lease Agreement with North Triangle Depot Commercial Corporation (NTDCC) and for the latter to commence development on North Avenue Lot Pads A and B in the Depot, GERI, NTDCC and the Company entered into an Assumption and Accession Agreement. Under the agreement, NTDCC, with the consent of the

Parent Company, assumed the obligation of GERI to pay the Company the latter's 28.47% share of 5% of the Depot Income from developments and improvements on North Avenue Lot Pads A and B in the Depot.

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.

New Management Plans

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 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 DTOC and the office of the President.

As at June 30, 2023, 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 P1.00 per share, from 2,000,000,000 shares at P1.00 per share. The initial plan in increase of its authorized Capital stock to 3,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share has been superseded by the approval by the Board of Directors on 24 September 2018.

FEMI agrees to subscribe to 25% of the planned increase in capitalization, or 750,000,000 shares at P1.00 per share. Out of the said subscription, Five Hundred Million Pesos (P500,000,000.00) corresponding to Five Hundred Million (500,000,000) common shares at P1.00 per share will be fully paid through the conversion into equity of portion of FEMI's advances to the 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 (Php2,000,000,000.00) divided into Two Billion (2,000,000,000) shares with a par value of One Peso (Php1.00) per share to Five Billion Pesos (Php5,000,000,000) divided into Five Billion (5,000,000,000) shares with a par value of One Peso

(Php1.00) per share and the corresponding amendments to Article Seventh of the Amended Articles of Incorporation of the 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 P1.00 per share with part of subscription price to the extent of Five Hundred Million Pesos (P500,000,000.00) to be offset against the Parent Company's advances from FEMI. The subscription for 250,000,000 common shares at P1.00 per share or subscription price of P250,000,000.00 is intended to be paid fully or partially via assignment to the Parent Company of shares of FEMI in Metro Solar Power Solutions, Inc. (Metro Solar).

As at June 30, 2023, the application for increase in authorized capital stock is 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 Company to enter into a Memorandum of Agreement with Fil-Estate Management Inc. (FEMI) whereby the Company shall purchase the Two Hundred Forty Nine Thousand Nine Hundred Ninety Five (249,995) shares of common stock of FEMI in Metro Solar Power Solutions, Inc. (Metro Solar); a stock corporation registered with the Securities and Exchange Commission (the "SEC") with SEC registration No. CS201622607 on September 28, 2016 with principal activity to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.

Such shares issued by Metro Solar to FEMI represent 100% percent of the entire issued and outstanding capital stock of Metro Solar. As per agreement with FEMI, the consideration in the value of the Metro Solar shares will be determined 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 P3 billion (P3,000,000,000.00) increase in authorized capital stock of the Company.

On November 22, 2018, during the annual Stockholders Meeting, the stockholders approved the amendment of the Article Second of the Articles of Incorporation to include in the primary purpose investment in business engaged in solar, wind, and other renewable energy generation facilities. The proposed amendment will allow the 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 Company to partially repay the Advances to FEMI to the extent of Three Hundred Million Pesos (P300,000,000.00)

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

MGHC, the Parent company, currently has ten (10) employees.

MGHC Royal and MRTSI are both not yet in commercial operation and have no employees as of June 30, 2023. The management of the two companies is currently being undertaken by the executive officers of MGHC.

Cash decreased by about ₱671 thousand, from ₱1.3 million in December 2022 to ₱672 thousand in June 2023. The decrease was primarily due to payment of various accruals and expenses during the second quarter of 2023.

Receivables decreased by ₱6.6 million or 35.45% (from ₱18.6 million as of December 31, 2022 to ₱12 million as of June 30, 2023). The decrease was in view of the collection of receivables from Trinoma/NTDCC in January 2023.

There were no material changes in the AFS Financial Assets in the 2nd Quarter of June 2023 as compared with that as of December 31, 2022.

Investment in Associates increased by ₱8.9 million or 46.57% (from ₱19.1 million as of December 31, 2022 to ₱27.9 million as of June 30, 2023) in view of the Group's share in the net equity earnings of MRT Devco as of June 30, 2023.

The Due to Stockholders account decreased by ₱5 million or 1.29% in view of the various payments made by the Group to FEMI.

The increase in Due to Related Parties account, amounting to ₱4.6 Million or 1.82%, was mainly due to cash advances received from MRT Development Corporation.

The Group's stockholders' equity increased by ₱5 million or 0.2% (from ₱2,636 million as of December 31, 2022 to ₱2,241 million as of June 30, 2023). The increase was in view of the 7.76% or ₱3.7 million increase in Retained Earnings, which was brought about by the ₱3.7 million Net Income realized by the Group as of the 2nd Quarter ended June 30, 2023.

With Depot Royalty Income of ₱12 million and Share in Net Profit of Associate of ₱8.9 million, the Group earned total revenues of ₱20.9 million as of the six months ended, June 30, 2023. However, during the same period, the Group incurred general and administrative expenses of ₱17.2 million, thus resulting in a net income of ₱3.7 million as of June 30, 2022.

There are no material events, trends, commitments or uncertainties known to management that would address the past and would have an impact on the liquidity and on future operation of the company in general.

There are no any material commitments for capital expenditures, nor any events that will trigger direct or contingent financial obligation that is material to the company.

No material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons created during this second quarter period.

FINANCIAL RISK DISCLOSURE

The significant judgments made in classifying a particular financial instrument in the fair value hierarchy.

- ***Fair value of financial instruments***
  Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, these are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. These judgments may include considerations of liquidity. Due to the short-term nature of transactions, the fair value of cash in banks, accrued expenses and other current liabilities and due to a stockholder approximate the carrying values as at reporting date. Quoted equity securities are recorded at fair value. Fair value of unquoted equity securities for which no reliable basis for fair value measurement is available are carried at cost, less any accumulated impairment loss.

  Fair Value Hierarchy

  The Parent Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

  Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

  Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

  Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

  The quoted equity securities whose fair values are determined using quoted prices in active markets (Level 1) amounted to ₱4.0 million and ₱3.0 million as at June 30, 2023 and December 31, 2022, respectively.

  As at June 30, 2023 and December 31, 2022, the Parent Company does not have any financial assets and financial liabilities carried at fair value that are classified under Level 2 and 3.

On June 30, 2023 and December 31, 2022, there are no transfers among the fair value hierarchies.

A comparison of the fair values as of the date of the recent interim financial report and as of the date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods, as follows:

Quoted Equity Securities

The changes in market value of quoted equity securities that were presented as “Change in fair value of available-for-sale financial assets” in other comprehensive income amounted to ₱ 1.3 million gain in June 2023 and ₱ 1.07 million loss in December 2022.

Movement in AFS financial assets consists of:

	June 2023	December 2022
Acquisition cost	₱2,565,582	₱2,565,582
Cumulative change in fair value:		
Balance at beginning of year	415,580	1,486,553
Changes in fair value during the quarter/year	1,331,727	(1,070,973)
Balance at end of year	1,747,307	415,580
	₱4,312,889	₱2,981,162

The criteria used to determine whether the market for a financial instrument is active or inactive, as defined under PAS 39 – Financial instruments.

(1) Determination of Fair Value of Financial Assets not Quoted in an Active Market. The Group classifies financial asset valuating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arms’ length basis.

(2) The fair values of the Parent Company’s investments in MRTHI and MRTHII cannot be reasonably determined as the shares are unquoted nor were there any expected future cash flows in view of the sale of future distributions entered into by the participated shareholders of MRTHI and MRTHII with TBS Kappitel Corporation Pte Ltd (TBS Kappitel) and that the investments, pursuant to the option agreement with FEMI will be used to settle the Parent Company’s liability to FEMI**.** The carrying amount of unquoted investments amounted to ₱ 3.058 billion as at June 30, 2023 and December 31, 2022.

PART II – OTHER INFORMATION

1) Reports on SEC Form 17-C

There was no 17-C submitted during the 2nd Quarter ending June 30, 2023.

Table A

Financial Ratios	**Formula**	**2nd Quarter 2023**	**2nd Quarter 2022**
a) Current Ratio	Total Current Assets / Total Current Liabilities	0.03	0.02
b) Solvency Ratio	Net Profit after Tax (or NPAT) + Depreciation and amortization / Total Liabilities		
c) Debt-to-Equity Ratio	Total Debt / Total Stockholders' Equity	0.51	0.51
d) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.51	1.51
e) Net Profit margin	NPAT / Net Revenues		
f) Return on asset	NPAT / Average Total Asset		
g) Return on Equity	NPAT / Average Total Stockholders' Equity		

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

Registrant: Metro Global Holdings Corporation

Signature and Title ______________________
Atty. Ferdinand T. Santos
President

Date : August 7, 2023

Principal Financial/Accounting Officer/Controller:

Signature and Title ______________________
Ramon G. Jimenez
Treasurer / VP-CFO

ANNEX "B"

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
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

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

Review for the year ended December 31, 2021

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.

Dividend Income
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.

Depot Royalty Income
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.

General and Administrative Expenses
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.

Total Assets
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.

Total Liabilities
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

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. **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

12	31
Month	Day

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

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. **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? *(e.g. employees, community, suppliers, government, vulnerable groups)*	Management Approach *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	03-7643588-3
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

Metro Global Holdings Corporation

(formerly Fil-Estate Corporation)

Separate Financial Statements
As at and for the years ended December 31, 2021 and 2020

Independent Auditor's Report

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

Report on the Audits of the Separate Financial Statements

Our Opinion

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

What we have audited

The separate financial statements of the Company comprise:

- the statements of financial position as at December 31, 2021 and 2020;
- the statements of total comprehensive income for the years ended December 31, 2021 and 2020;
- the statements of changes in equity for the years ended December 31, 2021 and 2020;
- the statements of cash flows for the years ended December 31, 2021 and 2020; and
- the notes to the 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 Auditors" Responsibilities for the Audit of the Separate Financial Statements section of our report.

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

Independence

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

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

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

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the 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.

Isla Lipana & Co.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 21 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is 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

Metro Global Holdings Corporation
(formerly Fil-Estate Corporation)

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

	Notes	2021	2020
ASSETS			
Current assets			
Cash in banks	2	1,204,682	1,227,080
Trade and other receivables	3	7,494,090	8,863,008
Other current assets	4	472,502	113,025
Total current assets		9,171,274	10,203,113
Non-current assets			
Due from related parties	3,15	894,141,461	3,064,500
Financial assets at fair value through OCI	5	3,062,291,051	1,494,488,966
Intangible asset, net	8	710,252	737,569
Investment in associates	6	13,667,401	5,987,239
Investment in subsidiaries	7	441,833	1,110,799
Deferred tax asset	14	1,411,672	1,594,480
Total non-current assets		3,972,663,670	1,506,983,553
Total assets		3,981,834,944	1,517,186,666
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accrued expenses and other current liabilities	9	390,849,037	385,168,495
Income tax payable		-	6,310,576
Total current liabilities		390,849,037	391,479,071
Non-current liabilities			
Due to a stockholder	15	707,010,807	744,833,320
Due to other related parties	15	249,981,418	361,829,675
Total non-current liabilities		956,992,225	1,106,662,995
Total liabilities		1,347,841,262	1,498,142,066
Stockholders' equity			
Share capital	10	1,998,553,181	1,998,553,181
Additional paid-in capital	10	589,120,804	589,120,804
Fair value reserve	5	1,486,553	1,131,344
Retained earnings (deficit)		44,833,144	(2,569,760,729)
Total stockholders' equity		2,633,993,682	19,044,600
Total liabilities and stockholders' equity		3,981,834,944	1,517,186,666

(The notes on pages 1 to 37 are integral part of these financial statements)

Metro Global Holdings Corporation
(formerly Fil-Estate Corporation)

Statements of Total Comprehensive Income
For the years ended December 31, 2021 and 2020
(All amounts in Philippine Peso)

	Notes	2021	2020
Depot royalty income	11	7,887,684	9,329,483
General and administrative expenses	12	(31,877,137)	(11,364,014)
Loss from operations		(23,989,453)	(2,034,531)
Other income			
Dividend income	5	2,606,190,497	-
Share in profit of associates	6	7,680,162	5,987,239
Other income (expense), net	13	19,740,729	(135,498)
		2,633,611,388	5,851,741
Income before tax		2,609,621,935	3,817,210
Income tax benefit (expense)	14	4,971,938	(1,679,307)
Net income for the year		2,614,593,873	2,137,903
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Fair value gain on financial assets at fair value through OCI	5	355,209	615,037
Total comprehensive income for the year		2,614,949,082	2,752,940
Basic and diluted earnings per share	16	1.3085	0.0004

(The notes on pages 1 to 37 are integral part of these financial statements)

Metro Global Holdings Corporation
(formerly Fil-Estate Corporation)

Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(All amounts in Philippine Peso)

	Share capital (Note 10)	Additional paid-in capital (Note 10)	Fair value reserve (Note 5)	Retained earnings (deficit)	Total
Balances at January 1, 2020	1,998,553,181	589,120,804	516,307	(2,571,898,632)	16,291,660
Profit for the year	-	-	-	2,137,903	2,137,903
Other comprehensive income for the year	-	-	615,037	-	615,037
Total comprehensive income for the year	-	-	615,037	2,137,903	2,752,940
Balances at December 31, 2020	1,998,553,181	589,120,804	1,131,344	(2,569,760,729)	19,044,600
Profit for the year	-	-	-	2,614,593,873	2,614,593,873
Other comprehensive income for the year	-	-	355,209	-	355,209
Total comprehensive income for the year	-	-	355,209	2,614,593,873	2,614,949,082
Balances at December 31, 2021	1,998,553,181	589,120,804	1,486,553	44,833,144	2,633,993,682

(The notes on pages 1 to 37 are integral part of these financial statements)

Metro Global Holdings Corporation
(formerly Fil-Estate Corporation)

Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(All amounts in Philippine Peso)

	Notes	2021	2020
Cash flows from operating activities			
Net income before tax		2,609,621,935	3,817,210
Adjustment for:			
Unrealized foreign exchange (gain) loss		(37,677)	16,171
Amortization expense	8, 12	27,317	27,317
Impairment loss on investment in subsidiaries	7	668,966	42,969
Interest income	2,13	(3,569)	(3,750)
Dividend income	5,15	(2,606,190,497)	-
Share in net income of associates	6	(7,680,162)	(5,987,239)
Operating loss before working capital changes		(3,593,687)	(2,087,322)
Decrease (increase) in:			
Trade and other receivables		1,368,918	19,933,820
Other current assets		(442,415)	(511,713)
Due from related parties		(40,188)	(1,298,029)
Increase in:			
Accrued expense and other current liabilities		5,680,542	2,229,282
Cash from operations		2,973,170	18,266,038
Interest received	2	3,569	3,750
Cash paid for income taxes		(1,072,892)	(2,497,073)
Net cash from operating activities		1,903,847	15,772,715
Cash flows from investing activities			
Incorporation of a subsidiary	7	-	(625,001)
Cash flows from financing activities			
Advances from related parties	15	35,858,591	13,701,390
Settlement of amounts due to a stockholder	15	(37,822,513)	(28,538,085)
Net cash used in financing activities		(1,963,922)	(14,836,695)
Net (decrease) increase in cash		(60,075)	311,019
Cash at January 1		1,227,080	932,232
Effect of foreign exchange rate changes in cash		37,677	(16,171)
Cash at December 31		1,204,682	1,227,080

(The notes on pages 1 to 37 are integral part of these financial statements)

Metro Global Holdings Corporation
(formerly Fil-Estate Corporation)

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

Note 1 - Corporate information

1.1 Business information

Metro Global Holdings Corporation (the "Company") was incorporated as San Jose Oil Company, Inc. on September 17, 1954 and was listed on the Philippine Stock Exchange (PSE) on May 4, 1964 as an oil exploration company and was reorganized in 1996 into a corporate vehicle that will pursue infrastructure-related investments and was renamed Fil-Estate Corporation. On September 9, 2004, the Philippines Securities and Exchange Commission (SEC) approved the extension of the Company's corporate life for another 50 years or until 2054.

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

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

1.2 Expansion of the Company'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 Company to expand its investment into a business engaged in renewable energy generation facilities, a growth area the Company intends to pursue.

On November 20, 2018, the Board authorized the Company to enter into a Memorandum of Agreement with FEMI whereby the 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 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 Company, as discussed in detail in Note 10.

As of report date, the 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 Company were approved and authorized for issuance by the Company's Board of Directors (BOD) on May 10, 2022.

1.4 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 Company in 2021 mainly due to the lower rental income from TriNoma commercial center caused by the implemented quarantine restrictions during 2021 (Note 11). The Company 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 Company'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 in banks

Cash in banks as at December 31, 2021 amounted to P1,204,682 (2020 - P1,227,080). These accounts generally earn interest at rates based on daily bank deposit rates. Interest income earned from cash in banks amounted to P3,569 in 2021 (2020 - P3,750) (Note 13).

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	8,863,008
Others	790	-
	7,494,090	8,863,008

Trade receivable pertains to the royalty income from depot developments in TriNoma and billed to North Triangle Depot Commercial Corporation (NTDCC) (Note 11). 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	15		
Monumento Rail Transit Corporation (Monumento Rail)		5,314,935	5,314,935
Metro Renewable Transport Solutions, Inc. (MRTSI)		1,338,217	1,298,029
Metro Rail Transit Holdings, Inc. (MRTHI)		117,362	117,361
Metro Rail Transit Holdings II, Inc. (MRTHII)		892,685,882	1,649,110
		899,456,396	8,379,435
Allowance for impairment		(5,314,935)	(5,314,935)
		894,141,461	3,064,500

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 Company 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 Company'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	161,056	113,025
	472,502	113,025

Creditable withholding tax is related to the depot royalty income from NTDCC (Note 11).

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 Company's ownership interests in MRTHI and MRTHII as at December 31 are as follows:

Investee	Interest	Indirect Interest	Effective Interest	Nature of Business
MRTHI	18.6%	-	18.6%	Holding Company
MRTHII	12.6%	15.80%	28.4%	Holding Company

MRTHI 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 estimates, assumptions, 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 Company 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 Company assesses whether the cost is the best estimate of fair value of investments in MRTHI and MRTHII. In making the assessment, the Company 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 Company 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 Company'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, the Company has assessed that the cost of investments in MRTHI and MRTHII represents the best estimate of fair value of those investments. In addition, the Company 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 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 Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTHII. Further, the Company holds a put option to use the shares of stocks of MRTHI and MRTH II to pay-off its net advances from FEMI pursuant to the "Letter of Agreement" as discussed in (b) below.

The Company'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 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 Company 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 Company's share in the ERPs of the LRTS Phase 1 Project of MRTC.

Notwithstanding the sale of future share distributions, the Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTHII in compliance with the various agreements related to the sale of share of future share distributions mentioned above, as well as the Company's obligation under the Agreement of MRTC with DOTC whereby the original shareholders of MRTHI and 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 Company and the other shareholders.

(b) Letter of agreement

On August 18, 2005, the Company and FEMI entered into a "Letter of Agreement", whereby FEMI has agreed to grant the Company the sole option to assign to FEMI its equity interests in MRTHI and MRTHII as settlement of the 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 Company in relation to the said advances. Under the "Letter of Agreement," should the Company opt to sell the said investments to third party or parties in the future, FEMI has the right of first refusal to purchase the said investments at its prevailing market value.

(c) Dividend income

On December 13, 2021, MRTHII declared dividends to its shareholders, of which P2,606,190,497 pertains to the Company'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 15);

(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 Company and other participating shareholders of MRTHI and MRTHII as described in (a) above, the 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 15). 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
Acquisition cost	2,565,582	2,565,582
Cumulative change in fair value		
Beginning of the year	1,131,344	516,307
Change in the fair value during the year	355,209	615,037
End of the year	1,486,553	1,131,344
	4,052,135	3,696,926

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

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 Centre, 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
At January 1	5,987,239	-
Share in net income of MRTDC	7,680,162	5,987,239
At December 31	13,667,401	5,987,239

On December 20, 2018, the 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.

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 Company 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 Company's accounting policies.

Reconciliation of summarized financial information

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

	2021	2020
Net assets	89,709,344	37,917,916
Equity interest	15.79%	15.79%
Share of net assets	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 - Investment in subsidiaries

Investments in subsidiaries as at December 31 consist of:

	Percentage of ownership			
	2021	2020	2021	2020
MGHC Royal Holdings Corporation (MGHC Royal)	99	99	612,738	612,738
Metro Renewable Transport Solutions, Inc. (MRTSI)	99	99	625,001	625,001
			1,237,739	1,237,739
Allowance for impairment			(795,906)	(126,940)
			441,833	1,110,799

The movement in allowance for impairment for the years ended December 31 are as follows:

	Note	2021	2020
At January 1		126,940	83,971
Impairment loss	13	668,966	42,969
At December 31		795,906	126,940

The Company's investments in subsidiaries are carried at cost less allowance for impairment. The carrying value is reviewed and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Due to recurring losses of MGHC Royal, the Company recognized an impairment loss for its investment in MGHC Royal amounting to P43,966 for the year ended December 31, 2021 (2020 - P42,969). Impairment loss was also recognized for the Company's investments in MRTSI for the year ended December 31, 2021 amounting to P625,000 (2020 - nil) due to MRTSI's capital deficiency. The impairment loss is recognized under other income (expense), net in the statement of total comprehensive income. The recoverable amount of MGHC Royal and MRTSI was determined by reference to the fair value less cost of disposal. Since the measurement of recoverable amount of MGHC Royal and MRTSI involves use of significant unobservable input, the fair value was classified as a Level 3 fair value. The fair value less cost of disposal was determined using fair values of net assets of MGHC Royal and MRTSI, which consists mainly of financial assets. The disclosure of unobservable inputs and sensitivity analysis were not provided as management assesses that the amount of investment in subsidiaries and related impairment loss are immaterial.

MGHC Royal

On May 19, 2017, the Company incorporated MGHC Royal and contributed a total of P2,499,500 for 99% ownership interest. 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. MGHC Royal's registered office address and place of business is at Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City.

MRTSI

On October 23, 2020, the Company incorporated MRTSI and contributed a total of P2,500,000 for 99% ownership interest. 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. Its registered office address and place of business is at Mezzanine Floor, Renaissance Towers, Meralco Avenue, Barangay Ugong, Pasig City 1604.

Note 8 - Intangible asset, net

Depot royalty rights

On August 22, 2006, the Board of Directors of Monumento Rail Transit Corporation (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 Company executed the Redemption and Deeds of Assignment of the latter's redeemable preferred shares, giving the 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 Company.

As a result of the redemption, the Company recognized a Depot royalty right intangible asset which represents the 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 Company is entitled to receive 28.47% of royalties corresponding to 5% of the gross receipts of the rental income (Note 11) 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.

The cost of depot royalty rights upon initial recognition amounted to P901,471 which is equivalent to the value of the 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, 2020	
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 9 - 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	40,026,566	34,712,015
Payable to regulatory agencies	822,471	456,480
	390,849,037	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 Company and Fil-Estate Companies with MPIC.

Cooperation agreement

On November 12, 2010, the Company, Fil-Estate Properties, Inc. (FEPI) and FEMI (collectively termed as the ‘Fil-Estate Companies’) entered into a Cooperation Agreement with Metro Pacific Investment Corporation (MPIC) relating to the Fil-Estate Companies’ rights and interests in the MRT Companies. The cooperation has the following objectives: (i) explore solutions that will enable the expansion of the MRT-3 system through financially and legally viable means, and (ii) to transfer the interests of the Fil-Estate Companies in the MRT Companies, subject to obtaining the necessary consents from the relevant parties. Under the Cooperation Agreement, the Fil-Estate Companies shall appoint MPIC as its attorney-in-fact in connection with the exercise of the rights and interests of the Fil-Estate Companies in the MRT Companies. The completion and consummation of the transaction contemplated by the parties is subject to certain conditions, which as at December 31, 2021 has not yet occurred.

As the 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 10 - 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 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.

   Fil-Estate Management, Inc. (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 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 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 of the Company.

Planned increase in authorized capital stock

On September 24, 2018, the BOD approved the 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 Company. As at report date, the Company is awaiting the approval of the SEC for the planned increase in authorized capital stock.

Note 11 - Depot royalty income

Depot royalty income for the year ended December 31, 2021 amounting to P7,887,684 (2020 - P9,329,483) represents the Company's 28.47% share of 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 12 - General and administrative expenses

This account consists of the following:

	Note	2021	2020
Salaries and wages		20,327,228	5,398,091
Transportation and travel		5,394,230	1,686,226
13th month pay		1,698,532	455,232
Professional and retainer's fee		1,619,236	1,287,322
Taxes and licenses		946,012	1,183,608
Directors' fees		554,035	410,936
Fees and permits		379,390	-
Legal		371,748	598,684
Amortization expense	8	27,317	27,317
Telephone, telegraphic, and postage		12,161	530
Others		547,248	316,068
		31,877,137	11,364,014

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

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

Note 13 - Other income (expense), net

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

	Notes	2021	2020
Exclusivity fee		20,000,000	-
Gain (loss) on foreign exchange		406,126	(96,279)
Interest income	2	3,569	3,750
Impairment loss on investment in subsidiary	7	(668,966)	(42,969)
		19,740,729	(135,498)

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

Exclusivity fee

On February 8, 2021, the 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 Company. On July 5, 2021, the 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.

Note 14 - 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 Company 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 separate 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

The components of income tax (benefit) expense as shown in the total comprehensive income for the years ended December 31 are as follows:

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

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

Deferred income tax (DIT)

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

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

For the year ended December 31, 2021, the Company 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.

During the year ended December 31, 2021, the Company's net operating loss carry-over (NOLCO) amounted to P1,062,032 (2020 - nil). This was calculated at 25% of its taxable loss for the year ended December 31, 2021 and shall be allowed as a deduction from the Company's taxable income until the taxable year 2026. The Company did not recognize deferred income tax assets arising from the net operating loss carry-over (NOLCO) as it was assessed to be immaterial.

Reconciliation of pre-tax income to tax expense

The reconciliation of tax on pretax income computed at the applicable statutory rates to tax (benefit) expense follows:

	2021	2020
Income tax at statutory income tax rate of 25% (2020 - 30%)	652,405,484	1,145,163
Adjustments for:		
Non-deductible expenses	1,041	799
Interest income subjected to final tax	(892)	(1,125)
Share in net income of investment in associate	(1,920,041)	(1,796,172)
Non-taxable income	(651,547,624)	-
Unrecognized NOLCO	1,062,032	-
Impact of OSD	-	2,330,642
Change in effective tax rate	125,804	-
Adjustment for current tax of prior periods	(5,097,742)	-
	(4,971,938)	1,679,307

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 Company 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 Company'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 Company 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 Company will be able to generate sufficient future taxable income against which the temporary differences can be applied, except for NOLCO which is unrecognized.

Note 15 - Related party transactions and balances

Transactions and balances with related parties are presented as follows:

	Transactions		Balances		
	2021	2020	2021	2020	Ref
Due from related parties - non- current (Note 3)					
Reimbursement of expenses					(a)
MRTSI - subsidiary	40,188	1,298,029	1,338,217	1,298,029	
MRTHI - investee	-	-	117,361	117,361	
MRTHII - investee	-	-	1,649,110	1,649,110	
Dividend receivable					
MRTHII - investee	891,036,773	-	891,036,773	-	(b)
	891,076,961	1,298,029	894,141,461	3,064,500	
Due to a stockholder					
Payments on behalf					
FEMI	37,822,513	28,538,085	(707,010,807)	(744,833,320)	(c)
Due to other related parties					
Advances					
MGHC Royal - subsidiary	15,040	23,938	(370,881)	(385,921)	(d)
MRTHI - investee	-	(8,198,827)	(221,939,234)	(221,939,234)	(e)
MRTHII - investee	(27,978,631)	-	-	(119,728,217)	(f)
MRTDC - associate	(7,895,000)	(5,526,501)	(27,671,303)	(19,776,303)	(g)
Dividend settlement (non-cash)					
MRTHI - investee	147,706,848	-	-	-	(b)
	111,848,257	(13,701,390)	(249,981,418)	(361,829,675)	

(a) Due from related parties- non-current

Receivables from MRTSI, MRTHI and MRTHII represent expenses paid by the Company 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 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, but 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 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 was made during the year ended December 31, 2021 (2020 - P28,538,085). No conversions to equity was made during the year ended December 31, 2021 and 2020.

On November 2, 2018, the Company entered into a Repayment Agreement with FEMI for the repayment of advances to the latter. To enable the Company to make its repayments to the extent of P300.0 million, the 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 Company passed a resolution approving the Company's agreement with FEMI that in consideration of FEMI not charging interest on the outstanding obligations of the Company, the Company agreed to partially repay the advances from FEMI by way of allocating to FEMI dividends and other income from affiliates of the Company in addition to the assignment of depot royalties.

FEMI, in its letter of support to the Company, committed not to demand payment of the amount due from the Company for a period of at least twelve (12) months from reporting date or until such time that the Company has the ability to pay in accordance with the Repayment Agreement above. As the Company 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 MGHC Royal

Outstanding amounts payable to MGHC Royal arose from advances to Company for settlement of outstanding obligations. Amounts are unsecured, non-interest bearing, and are to be offset against the Company's share of future dividends of MGHC Royal, 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 MRTHI

Outstanding amounts payable to MRTHI arose from advances to Company for settlement of outstanding obligations. Amounts are unsecured, non-interest bearing, and are to be offset against the 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.

(f) Advances from MRTHII

Amounts payable to MRTHII arose from advances to Company for settlement of outstanding obligations. During the year ended December 31, 2021, MRTHII declared dividends to the 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).

(g) Advances from MRTDC

Outstanding amounts payable to MRTDC arose from advances to Company for settlement of outstanding obligations. Amounts are unsecured, non-interest bearing, and are to be offset against the 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.

Material related party transactions policy

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

Note 16 - Earnings per share

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

	2021	2020
Consolidated net income of MGHC and subsidiaries	2,615,181,561	885,818
Divided by weighted average number of shares outstanding	1,998,553,181	1,998,553,181
Basic and diluted EPS	1.3085	0.0004

The 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 17 - Segment reporting

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

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 Company's management assesses the performance and allocates the resources of the Company as a whole, as all of the Company'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 Company are presently solely derived from its activities in the Philippines.

Note 18 - 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 Company 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 15)
- 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 15)
- Measurement of unquoted equity instruments - cost as an estimate of fair value (Note 5)
- Recoverability of investment in associates (Note 6)
- Income taxes (Note 14)

Note 19 - Financial risk management objectives and policies

19.1 Components of financial assets and financial liabilities

Financial assets

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

	Notes	2021	2020
At amortized cost			
Cash in banks	2	1,204,682	1,227,080
Trade and other receivables	3	7,493,300	8,863,008
Due from related parties	3	899,456,396	8,379,435
		908,154,378	18,469,523
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
		3,970,445,429	1,512,958,489

Trade and other receivables exclude other receivables which are subject to liquidation. 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 Company's financial liabilities, at amortized cost, at December 31 are as follows:

	Notes	2021	2020
Advances from MPIC	9	350,000,000	350,000,000
Accrued expenses	9	40,026,566	34,712,015
Due to a stockholder	15	707,010,807	744,833,320
Due to other related parties	15	249,981,418	361,829,675
		1,347,018,791	1,491,375,010

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

19.2 Financial risk factor

The Company'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 Company'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 Company's financial performance.

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

19.2.1 Liquidity risk

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

The Company 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 Company'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 Company is also able to defer payments of some of its due to related party balances.

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

The table below presents the Company's financial liabilities as at December 31:

	Within 12 Months	More than 12 months	Total
2021			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	40,026,566	-	40,026,566
Due to a stockholder	-	707,010,807	707,010,807
Due to related parties	-	249,981,418	249,981,418
	390,026,566	956,992,225	1,347,018,791
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 related parties	-	361,829,675	361,829,675
	384,712,015	1,106,662,995	1,491,375,010

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

19.2.2 Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Company by failing to discharge an obligation. Significant changes in the economy that may represent a concentration in the Company'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 Company 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 Company'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 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 in banks	1,204,682	-	1,204,682	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	894,141,461	-	894,141,461	Performing	12-month ECL
Group 3	5,314,935	(5,314,935)	-	Credit impaired	Lifetime ECL
	908,154,378	(5,314,935)	902,839,443		
2020					
Cash in banks	1,227,080	-	1,227,080	Performing	12-month ECL
Trade and other receivables					
Group 1	8,863,008	-	8,863,008	Collective assessment	Lifetime ECL
Due from related parties					
Group 2	3,064,500	-	3,064,500	Performing	12-month ECL
Group 3	5,314,935	(5,314,935)	-	Credit impaired	Lifetime ECL
	18,469,523	(5,314,935)	13,154,588		

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 Company 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.

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 Company's financial assets

Cash in banks

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

Receivables

Group 1 - The Company's receivables under Company 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 Company records a provision for impairment of receivables that are assessed to have a significant probability of becoming uncollectible. The assessment is based on the Company's knowledge of the collectability of the account, nature of dispute and the creditworthiness of the customer.

19.2.3 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 Company's functional currency.

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

19.3 Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern, while maximizing the return on investments of stockholders. The Company 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 Company 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	10	1,998,553,181	1,998,553,181
Additional paid-in capital	10	589,120,804	589,120,804
Retained earnings (deficit)		44,833,144	(2,569,760,729)
		2,632,507,129	17,913,256
Debt			
Due to a stockholder	15	707,010,807	744,833,320
Due to related parties	15	249,981,418	361,829,675
		956,992,225	1,106,662,995
		3,589,499,354	1,124,576,251

Note 20 - Summary of significant accounting policies

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

20.1 Basis of preparation

The separate financial statements of the Company 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 separate financial statements have been prepared under the historical cost convention except for financial assets at FVOCI.

The preparation of separate financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 18.

The Company has also prepared consolidated financial statements in accordance with PFRS. In the consolidated financial statements, undertakings of Metro Global Holdings Corporation and its subsidiaries have been fully consolidated. The consolidated financial statements can be obtained from the Company's business address in Meralco Ave., Pasig City or from the SEC.

Users of these separate financial statements should read these together with the Group's consolidated financial statements as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 in order to obtain full information on the financial position, results of operations and changes in financial position of the Group as a whole.

20.2 Changes in accounting policies and disclosures

There are no new standards, amendments and interpretations which are effective for the financial year beginning on or after January 1, 2021 that are relevant to and have a material impact on the Company's 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 separate financial statements. None of these standards are expected to be relevant on the separate financial statements of the Company, 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 Company does not expect the amendments to have a significant impact on the Company's separate 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 Company does not expect the amendments to have a significant impact on the Company's separate 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 Company does not expect the amendments to have a significant impact on the Company's separate 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 Company does not expect the amendments to have a significant impact on the Company's separate financial statements.

20.3 Financial assets

Classification

The Company 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 Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company 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 Company's financial assets at amortized cost category includes cash in banks (Note 2), trade and other receivables (Note 3), and due from related parties (Notes 3 and 15).

The Company 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 Company's did not hold financial assets at FVTPL.

<u>Recognition and subsequent measurement</u>

The Company recognizes a financial asset in the statement of financial position when the Company 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 Company assesses whether the cost is the best estimate of fair value of financial assets at FVOCI. In making the assessment, the Company 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 Company 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.

<u>Impairment</u>

The Company 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 statement of total comprehensive income.

Loss allowances of the Company 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 Company 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 Company 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 Company 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 Company's historical experience and informed credit assessment and includes forward-looking information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company 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 Company 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 Company 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 Company 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 Company'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 Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in the statement of total comprehensive income and presented in other gains/(losses).

20.4 Financial liabilities

Classification

The Company 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 Company as at fair value through profit or loss upon initial recognition. Management determines the classification of its financial liabilities at initial recognition.

The Company 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 Company. 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 Company's other financial liabilities at amortized cost consist of accrued expenses and other current liabilities (excluding withholding tax payable and payable to government agencies) (Note 9), due to a stockholder (Note 15), and due to other related parties (Note 15).

Recognition and measurement

The Company recognizes a financial liability in the statement of financial position when, and only when, the Company 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.

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

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry 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 Company is the current bid price. These instruments are included in Level 1. The Company'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 Company'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 Company 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 Company uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

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

The fair value of a non-financial asset is measured based on its highest and best use. The carrying value of the Company'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.

20.6 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 Company or the counterparty. The Company does not have financial assets and liabilities that are covered by enforceable master netting arrangements and other similar agreements.

20.7 Cash

Cash includes 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.

20.8 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 Company 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 Company'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.

20.9 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 Company 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.

20.10 Investment in associate

Associates are all entities over which the Company 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 Company's investment in associates includes goodwill identified on acquisition. Any excess of the Company'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 Company'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 Company'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 Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company 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 Company and its associates are eliminated to the extent of the Company'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 Company.

20.11 Investment in subsidiaries

A subsidiary is an entity which is controlled by the Company. The control means that the Company can govern the financial and operating policies of its subsidiaries to gain benefits from the operations of subsidiary. The Company controls an investee if and only if the Company has all the following:

(a) power over the investee;
(b) exposure, or rights, to variable returns from its involvement with the investee; and
(c) the ability to use its power over the investee to affect the amount of the investor's returns.

Investment in subsidiaries are accounted for using the cost method. Under this method, investments are recognized at cost and income from investment is recognized in profit or loss only to the extent that the investor receives distribution from accumulated profits of the investee arising after the acquisition date. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as reduction of the cost of the investment.

Investment in subsidiary is derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company determines at each reporting date whether there are impairment indicators relating to investment in the subsidiaries. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value and recognizes any impairment loss in profit or loss.

Investments in subsidiaries are carried at cost, less any provision for impairment.

20.12 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 Company'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 8).

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.

20.13 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 Company 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 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.

20.14 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 Company 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.

20.15 Provisions and contingencies

Provisions are recognized when the Company 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 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.

20.16 Revenue recognition

Revenue is measured based on the transaction price specified in a contract with the customer. The Company 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 Company 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.

20.17 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.

20.18 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 Company 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 Company 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 Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognizes termination benefits when it is demonstrably committed to either:
(a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

20.19 Foreign currency transactions and translations

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Philippine pesos, which is the Company’s functional and presentation currency.

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.

20.20 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.

20.21 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 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.

20.22 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.

20.23 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.

20.24 Subsequent events

Subsequent events that provide additional information about the Company'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.

Note 21 - Supplementary information required by the Bureau of Internal Revenue (BIR)

The following information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

On December 28, 2010, Revenue Regulation (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by Philippine Financial Reporting Standards.

Below is the additional information required by RR No. 15-2010.

(i) Output value-added tax (VAT)

Output VAT declared for the year ended December 31, 2021 and the revenues upon which the same was based consist of:

	Tax base	VAT
Vatable sales	9,329,483	1,119,538

The gross amount of revenues as shown above is based on gross receipts of the Company while the revenues shown in the statement of total comprehensive income is recognized and measured in accordance with the Company's accounting policy on revenue recognition (Note 20.16).

(ii) Input VAT

Movements in input VAT for the period ended December 31, 2021 are as follows:

	Amount
Beginning balance	113,025
Add: Current period's domestic purchases/payments for:	
Goods other than Capital Goods	11,250
Domestic purchase of services	179,413
Total input VAT for the year	303,688
Application against output VAT	(142,632)
Total input VAT	161,056

(iii) Importations

There were no importation transactions made for the year ended December 31, 2021.

(iv) Documentary stamp taxes

There were no documentary stamp taxes paid for the year ended December 31, 2021.

(v) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2021 consist of:

Business permit, clearance and licenses	934,937
Annual listing fee	500
Others	10,575
	946,012

The above local and national taxes are lodged under taxes and licenses account in general and administrative expenses (Note 12).

(vi) Withholding taxes

Withholding taxes accrued and paid as at and for the period ended December 31, 2021 follow:

	Paid	Accrued	Total
Withholding tax on compensation	4,731,248	771,651	5,502,899
Expanded withholding tax	43,775	13,860	57,635
	4,775,023	785,511	5,560,534

Withholding taxes payables above are presented as part of accrued expenses and other current liabilities in the statement of financial position (Note 9).

(vii) Tax assessments

The Company has not received any Final Assessment Notice from the BIR for the year ended December 31, 2021.

(viii) Tax cases

The Company does not have outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR as at December 31, 2021.

ANNEX "C"

METRO GLOBAL HOLDINGS CORPORATION
2023 ANNUAL STOCKHOLDERS' MEETING
October 12, 2023 at 10:00 am

Requirements and Procedure for Registration, Participation and Voting in Absentia

In view of the Government's imposition of a community quarantine and taking into consideration the safety of everyone, Metro Global Holdings Corporation (MGHC or the Company) will be conducting its Annual Stockholder Meeting (Annual Meeting) scheduled on October 12, 2023 at 10:00 AM virtually. There will be no physical venue for the Annual Meeting.

Only stockholders of record as of September 12, 2023 are entitled to participate and vote in the Annual Meeting.

I. Registration and Participation/Attendance Procedure:

1. The platform for participation through webcast/ video conferencing (Remote Communication) for the Annual Meeting is via Zoom;

2. Only stockholders of record as of September 12, 2023 and who have complied with the registration and validation process as outlined in this document may participate and vote in absentia in the Annual Meeting.

3. Stockholders who intend to participate in the Annual Meeting may register by filling up the form that can be found at **metroglobalholdings.com/asmregister** Online registration will be open from September 13, 2023 at 9:00 A.M. to October 7, 2023 at 5:00 P.M.

4. Stockholders should complete the online registration and submit/ upload the following for validation:

   a. For individual stockholders:
      i. Scanned copy of any valid government-issued ID showing stockholder's personal details and photo;
      ii. Active contact number, either landline or mobile.

   b. For stockholders with joint account:
      i. Scanned copy of authorization letter signed by other stockholders indicating the person among them authorized to participate and/or vote in the Annual Meeting;

ii. Documents required under items 1.a (i) and (iii) for the authorized stockholder:

c. For individual stockholders under PCD or a Brokers Account or "Scripless Shares":
   i. Broker's certification on the stockholder's number of shareholdings (in PDF format). To facilitate the verification of your account, please copy MGHC (gtreyes@pbrlaw.com.ph) and its stock transfer agent, BDO Transfer (BDOST) (bdo-stock-transfer@bdo.com.ph) in all your email correspondence with your broker for the request for certification;
   ii. Documents required under items 1.a (i) and (iii).

d. For corporate stockholders:

   i. Duly accomplished and signed proxy
   ii. Secretary's Certificate attesting to the authority of the person signing the proxy representative to participate and / or vote in the Annual Meeting;
   iii. Documents required under items 1.a (i) and (iii) for the authorized representative;
   iv. Valid and active email address and contact number of the representative
   v. Scanned copy of the valid government-issued ID of the person signing the proxy

5. Please note that MGHC will request for your consent to process your personal information in accordance with the Data Privacy Act.

6. The Company's Corporate Secretary and its stock transfer agent, BDOST, will validate the registration requirements submitted by the stockholders. Incomplete or inconsistent information provided in the registration form will result to a rejection of the registration.

7. Upon successful registration and validation of the registration and documents submitted, the stockholder will receive an email confirmation with unique log in credentials which can be used to log in and participate in the Annual Meeting on October 12, 2023 at 10:00 A.M.

8. Only those stockholders who have successfully registered following the procedure above and stockholders who have voted by providing their executed Proxy Form shall be included for purposes of determining the existence of a quorum.

9. MGHC reserves the right to request for additional information, and the submission of the originally signed copies of the documents forming part of the registration requirements at a later time.

10. For the Question and Answer portion during the 2023 ASM, stockholders may send their questions related to the agenda by email to investor-relations@metroglobalholdings.com with subject "MGHC 2023 ASM Question/Comment." While MGHC will accept questions during the virtual meeting sent via email, we encourage everyone to send their questions related to the agenda on or before October 11, 2023, 5:00 P.M. Please note that due to time and technological limitations, only relevant questions will be answered during the Annual Meeting. MGHC will endeavor to answer all other questions via e-mail at a later time.

11. As required by the Securities and Exchange Commission, the proceedings during the Annual Meeting will be recorded. A link to the recorded virtual website will be made available on MGHC's website after the meeting.

II. Voting Procedure:

Stockholders may vote during the Annual Meeting either (1) by Proxy or (2) by voting in absentia through our Digital Ballot/ Online Stockholder Voting System.

1. Voting by Proxy:
   a. Download and fill up the Proxy Form at https://metroglobalholdings.com/images/pdf/METROGLOBALHOLDINGSCORPORATION-2023-ASM-PROXY%20FORM.pdf. The Chairman, or in his absence, the Vice-Chairman, the Chief Financial Officer or the Corporate Secretary is authorized to cast the votes pursuant to the instructions in the Proxy Form.
   b. Send a scanned copy of the executed proxy Form by email to MGHC investor-relations@metroglobalholdings.com not later than October 7, 2023. A hard copy of the signed Proxy Form should be delivered to: The Corporate Secretary at Poblador, Bautista, Reyes Law Offices, 5th Floor, SEDDCO Building, Rada Street, Legaspi Village, Makati City. Validation of proxies shall be held on 9 October 2023 at 9:00am at the Office of the Corporate Secretary.

2. Voting in absentia through the Digital Ballot/ Online Stockholder Voting System:
   a. Follow the Registration and Participation/Attendance Procedure set forth above.
   b. Signify your intention to vote in absentia through the online form not later than October 7, 2023 at 5:00 pm.
   c. Upon validation, the Company will send an email to the stockholder containing the link for the Digital Ballot/ Online Stockholder Voting System and the instructions for casting online votes. Registered stockholders shall have until 5:00 PM of October 11, 2023 to cast their votes.
   d. All agenda items indicated in the Notice of Meeting will be included in the Digital Ballot and the registered stockholder may vote as follows:

i. For items other than election of the Directors, the stockholder may vote: "For", "Against", or "Abstain". The vote shall be considered as cast for all the stockholder's shares.
ii. For the election of Directors, the stockholder may vote for vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares owned, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the number of directors to be elected.

e. Once voting is completed in the Digital Ballot/ Online Stockholder Voting System, the stockholder shall proceed to click on the "Submit" button which shall complete the process. Once submitted, the stockholder may no longer change the votes cast. MGHC's Office of the Corporate Secretary shall tabulate all votes cast in absentia together with the votes cast by proxy. The votes cast in absentia will have equal effect as votes cast by proxy.

For any questions or clarification, you may contact us through investor-relations@metroglobalholdings.com with subject "MGH 2023 ASM Question/Comment" or our stock transfer agent, BDO Stock Transfer, through their telephone number +632-88784964.

ANNEX "D"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOSE WILFRIDO M. SUAREZ,** of legal age, Filipino, and a resident of 35 San Miguel Court, Valle Verde 5 Pasig City after having been duly sworn in accordance with law, hereby depose and say that:

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

2. I am affiliated with the following companies or organization

Company/ Organization	**Position/Relationship**	**Period of Service**
Northermanor Corporation	Director	2016 - present
Northernsuites Corporation	Director	2016 - present
Nestle Philippines Inc.	Risk Management Consultant	2005 - 2016
Metro Rail Transit Development Corporation (MRTDC)	Senior Vice President	1995 - 2003

a. I possess all the qualifications and none of the disqualification to serve as an Independent Director of Metro Global Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulation and other SEC insurances.

3. I am not related to any director/ officer/substantial shareholders of Metro Global Holdings Corporation and its subsidiaries and affiliates.

4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

5. I am not in government service or affiliated with a government agency or Government Owned and Control Corporation.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and Its Implementing Rules and Regulation, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Metro Global Holdings Corporation of any changes in the above mentioned information within five days from its occurrence,

Done, this AUG 25 2023 at PASIG CITY.

JOSE WILFREDO M. SUAREZ
Affiant

SUBSCRIBED AND SWORN to before me this AUG 25 2023 at PASIG CITY. Affiant personally appeared before me and exhibited to me his TIN ID No. 156-395-433.

Doc. No. 157;
Page No. 33;
Book No. II;
Series of 2023.

CHRISTIAN H. SORITA
Notary Public for Pasig, San Juan & Pateros
First Floor, Renaissance 1000 Tower D,
Meralco Avenue, Pasig City 1605
Roll of Attorneys No. 52539
Appointment No. 205 (2022-2023)
Commission Expires on December 31, 2023
PTR No. 0285322, 2/06/2023; Pasig City
Lifetime IBP No. 010223; 10-17-2011; Pasig City
MCLE Compliance No. VIII - 0000183
Issued on 16 August 2022

CERTIFICATION OF INDEPENDENT DIRECTOR

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

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

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

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

   a. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Metro Global Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulation and other SEC issuances.

3. I am not related to any director/officer/substantial shareholder of Metro Global Holdings Corporation and its subsidiaries and affiliates;

4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

5. I am not in government service or affiliated with a government agency or Government Owned and Controlled Corporation;

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code, its Implementing Rules and Regulation and other SEC issuances;

7. I shall inform the Corporate Secretary of Metro Global Holdings Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this AUG 25 2023 at PASIG CITY.

FRANCISCO C. GONZÁLEZ
Affiant

SUBSCRIBED AND SWORN to before me this AUG 25 2023 at PASIG CITY. Affiant personally appeared before me and exhibited to me his Senior Citizen's ID No. 269430 issued by the City of Mandaluyong on 13 August 2004.

Doc. No. 139;
Page No. 37;
Book No. II;
Series of 2023.

CHRISTIAN H. SORITA
Notary Public for Pasig, San Juan & Pateros
First Floor, Renaissance 1000 Tower D,
Meralco Avenue, Pasig City 1605
Roll of Attorneys No. 52539
Appointment No. 205 (2022-2023)
Commission Expires on December 31, 2023
PTR No. 0285322, 2/06/2023; Pasig City
Lifetime IBP No. 010223; 10-17-2011; Pasig City
MCLE Compliance No. VIII - 0000183
issued on 16 August 2022

ANNEX "E"

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY)S.S.

SECRETARY'S CERTIFICATE

I, **ALICE ODCHIGUE-BONDOC,** of legal age, Filipino, and with office address at Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City, after having been duly sworn in accordance with law, hereby depose and say that:

1. I am the Assistant Corporate Secretary of **METRO GLOBAL HOLDINGS CORPORATION,** a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City (the "Corporation");

2. To the best of my knowledge, none of the following directors and key officers of the Corporation are currently employed by any government office of the Republic of the Philippines:

Name	**Position**
Robert John L. Sobrepeña	Chairman of the Board & CEO
Ferdinand T. Santos	Director, President & Chief Risk Officer
Noel M. Cariño	Director
Jaime Cacho	Director & SVP for Project Development
Rafael Perez de Tagle, Jr.	Director, EVP for Operations & Director for Investor Relations
Alice Odchigue-Bondoc	Director, SVP - Good Governance & Compliance Officer, Corporate Information Officer & Assistant Corporate Secretary
Roberto S. Roco	Director
Francisco C. Gonzalez	Independent Director
Jose Wilfrido Suarez	Independent Director
Gilbert Raymund T. Reyes	Corporate Secretary
Ramon G. Jimenez	VP - Chief Financial Officer and Alternate Corporate Information Officer
Solita S. Alcantara	VP - Chief Audit Executive
Sylvia M. Hondrade	VP for Business Development & Special Projects
Socorro G. Roco	VP for Records Management
Khateryn M. Benitez	VP for Human Resources

IN WITNESS WHEREOF, I have hereunto affixed my signature this AUG 24 2023 in QUEZON CITY.

ALICE ODCHIGUE-BONDOC
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this AUG 24 2023 in QUEZON CITY. Affiant exhibited to me her Integrated Bar of the Philippines Lifetime No. 014624.

ATTY. ELISEO S. PALMA, JR.
NOTARY PUBLIC
Notary Public for Q.C. / Until Dec. 31, 2024
Roll No. 50183
PTR No. 4607172D/Jan. 03, 2023/Q.C.
IBP No. 257225, Jan. 01, 2023
MCLE Comp. No. VII-0006924(09/21/2021-04/14/2025)
Adm. Matter No. NP-062(2022-2023)
20 Kamagong St., Sapamanai Vill. East Fairview Q.C.
TIN: 138-541-197-000

Doc. No. 115;
Page No. 101;
Book No. LXV;
Series of 2023.

ANNEX "F"

MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS
OF
METRO GLOBAL HOLDINGS CORPORATION

Held on 9 December 2022 (10:00 a.m.)
By Remote Communication (via Zoom Conference)

STOCKHOLDERS PRESENT:

No.	Stockholders	Subscription	**Paid-Up**	Percentage to Total Outstanding Capital Stock
1.	Fil-Estate Management, Inc., represented by proxy, Robert John L. Sobrepeña	1,759,750,195	P1,759,750,195.00	87.98
2.	Grace Victoria Perez de Tagle, represented by proxy, Robert John L. Sobrepeña	190,000	P190,000.00	0.01
3.	Solita S. Alcantara	15,000	P15,000.00	0.00
	Total	**1,759,955,195**	**P1,759,955,195.00**	**87.99%**

DIRECTORS PRESENT:

1. Mr. Robert John L. Sobrepeña (Chairman and Chief Executive Officer)
2. Atty. Ferdinand T. Santos (President)
3. Mr. Noel M. Cariño
4. Mr. Rafael Perez de Tagle, Jr.
5. Atty. Alice Odchigue-Bondoc (Assistant Corporate Secretary)
6. Mr. Jaime M. Cacho
7. Mr. Roberto S. Roco
8. Mr. Francisco C. Gonzalez

ALSO PRESENT:

1. Mr. Jose Wilfrido M. Suarez
2. Mr. Ramon Jimenez (Chief Financial Officer)
3. Atty. Gilbert Raymund T. Reyes (Corporate Secretary)
4. Ms. Sylvia M. Hondrade (VP – Business Development & Special Projects)
5. Ms. Socorro G. Roco (VP – Records Management)
6. Ms. Khateryn M. Benitez (VP – Human Resources)

1. **Call to Order**

The Annual Meeting commenced with the singing of the Philippine National Anthem, followed by a prayer led by Director, Mr. Francisco C. Gonzalez.

Thereafter, Mr. Robert John L. Sobrepeña, the Chairman of the Board of Directors, called the meeting to order and presided over the same. Atty. Gilbert Raymund T. Reyes, the Corporate Secretary, recorded the minutes of the proceedings.

2. **Determination and Certification of Quorum**

The Chairman requested the Corporate Secretary to establish that the meeting has been duly called and that a quorum is present for the Annual Meeting.

The Corporate Secretary certified that all stockholders as of 9 November 2022 have been notified of the meeting pursuant to the Corporation's By-Laws and applicable SEC Circulars. Copies of the Notice and Agenda of the Annual Stockholders' Meeting and the Definitive Information Statement were made available through the Corporation's website and the PSE Electronic Disclosure Generation Technology or PSE EDGE. Notice and Agenda of the Annual Meeting were also published in The Manila Times on November 5 and 6, 2022, and in Business World on November 15 and 16, 2022, all in printed and online formats.

The Corporate Secretary announced that there existed a quorum to transact the business in the agenda for the meeting, there being present in person or represented by proxy, stockholders holding 87.99% of the subscribed and outstanding capital stock of the Corporation.

3. **Procedures for Registration, Voting and Participation in the Meeting**

The Chairman then requested the Corporate Secretary to explain the rules for participation and voting in the meeting.

The Corporate Secretary announced that only stockholders who have registered may be heard at the meeting. The procedure for registration, voting and participation in the 2022 Annual Meeting were contained in the Definitive Information Statement and have been implemented as follows:

a. Stockholders signifying their intention to participate by remote communication must register online at the Corporation's website between November 10, 2022 at 9:00 A.M. to December 4, 2022 at 5:00 P.M. and email the requirements to the Investor Relations at www.metroglobalholdings.com.

b. Stockholders who have registered may send their questions and/or comments prior to the meeting by email to investor-relations@metroglobalholdings.com until 5:00 P.M. of December 8, 2022.

c. The resolutions proposed to be adopted at the meeting were provided to the stockholders through the Definitive Information Statement, and shown on the screen throughout the meeting.

d. Stockholders who have duly registered may cast their votes by proxy or in absentia through Digital Ballot/ Online Stockholder Voting System until 5:00 P.M. of December 8, 2022.

e. The Office of the Corporate Secretary has tabulated all valid and confirmed votes cast through electronic voting, together with the votes through proxies, and the voting results would be announced during the meeting and reflected in the minutes.

4. Reading and Approval of Minutes of Previous Meeting

The first item on the agenda was the reading and approval of the minutes of the preceding Annual Meeting of the stockholders held on December 14, 2021. The Chairman noted that the minutes of the December 14, 2021 Annual Meeting has been made available through the Corporation's website and the Definitive Information Statement.

The Chairman then requested the Corporate Secretary to present the proposed resolution on the approval of the minutes of the preceding Annual Meeting held on December 14, 2021 and the voting results on this item.

The Corporate Secretary announced that on the proposal to approve the minutes of the Annual Meeting held on December 14, 2021, based on the tabulation results, 100% of the shares present or represented by proxy approved the minutes of the previous Annual Meeting held on December 14, 2021.

5. Report of the Chairman

The Chairman then briefed the stockholders on the various projects undertaken by the Corporation and its affiliates.

By way of introduction, the Chairman stated that the Corporation's first project was the MRT3 System, which it completed on schedule in 2000. Shortly, thereafter, the Corporation, through its affiliates, focused on the commercial aspects of the MRT3 Project, particularly on advertising and commercial rights.

Lately, the Corporation has taken a new direction in the area of renewable energy.

The Chairman gave a brief overview of the three renewable energy projects of the Corporation in the pipeline, namely: (i) Pililla One Solar Project, (ii) BLISTT Waste-to-Energy Project, and (iii) Baguio Mass Transit Project. The Chairman noted that these projects are now moving forward, and he expects that by 2023, final approvals would be given for the projects.

Project in the Development Stage

The Chairman then asked Director, Jaime M. Cacho, to give updates on the Corporation's projects in the renewable energy field. Mr. Cacho is the Chief Operating Officer of the three renewable energy companies of the Corporation, i.e., Metro Solar Power Solutions, Inc. ("MSPSI"), Metro Renewable Energy Corporation ("MREC"), and Metro Renewable Transport Solutions, Inc. ("MRTSI"), which are undertaking the aforesaid projects.

A. Pililla One Solar Project

Mr. Cacho presented the updates on MSPSI's Pililla One Solar Project, which is a 65MW Solar Farm located in Pililla, Rizal.

Mr. Cacho stated that MSPSI's land conversion application from "agricultural" to "solar power industrial" had been completed and approved by the Department of Agrarian Reform ("DAR") on 4 April 2022. The soil investigation report was already completed on 15 July 2022. MSPSI also already applied for registration of the project with the Board of Investments on 9 September 2022, which application is in progress.

On 14 March 2022, MSPSI submitted a letter of intent to the National Grid Corporation of the Philippines ("NGCP") for interconnection of the project to the latter's sub-station. MSPSI is presently negotiating with NGCP on this matter.

Lastly, Mr. Cacho reported that on 23 January 2022, MSPSI awarded to Consolidated Energy Project Development, Incorporated the preparation of the Feasibility Study for the project, and MSPSI already received the first Feasibility Study on 11 November 2022. This would allow MSPSI to secure a Declaration of Commerciality from the Department of Energy ("DOE"). Furthermore, MSPSI has already received two major Engineering Procurement and Construction ("EPC") proposals from two large EPC contractors, and management is presently evaluating the proposals for eventual award.

B. BLISTT Waste-to-Energy Project

Mr. Cacho then presented updates on MREC's BLISTT Waste-to-Energy Project in Baguio City, which is the country's first waste-to-energy facility of its size. The facility will be capable of processing 500 metric tons of municipal solid waste every day, converting the same into Refuse Derived Fuel ("RDF"), and eventually going through a combustion system of the Valmet Power Island, creating steam that would power turbines and generate power.

The unsolicited proposal for the Project was submitted to the City of Baguio and municipalities of La Trinidad, Itogon, Sablan, Tuba, and Tublay ("BLISTT") on 1 March 2021. MREC has received the PPP Packet from Baguio City on 21 October 2021, and already completed the requirements. The preparation of the formal feasibility study will be awarded by the first quarter of 2023, most likely to an international group, which is a requirement to secure funding for the project.

On 24 October 2022, MREC presented to the Sablan Council its intention to build a Pilot Waste-to-RDF Plant at the Municipality of Sablan. This is to promote the service and to help the Municipality of Sablan in their garbage collection.

The next stage of the project would be to build the Main Waste-to-Energy in Sablan, and enter into a Definitive Agreement under a PPP/Joint Venture with Baguio City and the surrounding municipalities.

C. Baguio Mass Transit Project

Mr. Cacho proceeded with the updates on MRTSI's Baguio City Sky Shuttle Project.

MRTSI proposed to develop an elevated electric-driven monorail system of about 4.6 kilometers around the central business district ("CBD") of Baguio City, coupled with a bus feeder line in the transport centers of the residential areas. The company's technical partner is BYD Company Ltd. ("BYD") from China, which is a global technology company founded in 1995 as a battery manufacturer and is now the largest electric car manufacturer in China. Recently, BYD has ventured into development of electronic monorail system.

MRTSI's project proposal features a one-ticket transport system capable of transporting thousands of commuters everyday throughout the CBD. The system will have eight stations providing strategic access to many areas of the CBD, which will be supplemented by 300 electric buses to service transport routes in high-density residential areas and connect to the CBD monorail.

The unsolicited proposal for the project has been submitted to Baguio City on 17 February 2021. MRTSI submitted the requirements for the unsolicited proposal to the P4-Selection Committee of Baguio City last 13 April 2022, which are now undergoing evaluation. A draft definitive agreement was also submitted on 15 November 2022.

Mr. Cacho then presented the proposed locations of the stations and the sky shuttle monorail route.

Mr. Cacho ended his report by sharing the Corporation's vision of creating a circular economy – from waste-to-energy to fully-electric transport systems. The waste created by Baguio City on a daily basis will be processed by the proposed renewable energy plant and converted into power. This, in turn, will supplement the Baguio City grid, and power the Corporation's electric bus and monorail system.

Moving forward, the Corporation will pursue its vision of creating green communities through solar energy, waste to energy plants and electric transport projects. It will continue to build green communities by expanding solar farms, waste-to-energy plants and electric transport solutions to other locations in the country. Currently, the Corporation has already started the process of evaluating areas in Cavite, Pampanga, Batangas, Angono Rizal, Metro Cebu, Metro Davao and Iloilo City, where similar projects could be undertaken.

The Chairman thanked Mr. Cacho for his report.

Updates on the Affiliates in the Mass Transport Industry

The Chairman then called on the Corporation's Director, Mr. Rafael Perez de Tagle, Jr., to provide an update on the Corporation's affiliates, particularly, Metro Rail Transit Corporation ("MRTC"), the operator of MRT3, and Metro Rail Transit Development Corporation ("MRTDC"), the operator of the commercial rights in MRT3.

A. EDSA MRT3 Project

Mr. de Tagle, Jr. then provided the highlights on the EDSA MRT3 Project for year 2022. He reported that MRTC's contractor, Sumitomo Corporation, has already achieved 100% completion of the MRT3 System rehabilitation, including replacement of all rails, upgrading of stations and general overhauling of the 72 light rail vehicles ("LRVs"). With the completion of the rehabilitation, the MRT3 System is now operating 18 trains or 54 LRVs at 3.5 minutes headway during peak operating hours, which is very good performance. Current passenger ridership is now 400,000 per day, but has the capacity for 500,000 per day.

For 2023, MRTC will resubmit proposals for Phase 1 Capacity Expansion to add 72 new LRVs and enable 4-car trains with 2-minute headway. This will increase the fleet size to 144 LRVs, which can carry an estimated 1.0 million passengers per day. MRTC will also resubmit its proposal to do the seamless 5.2-

kilometer Phase 2 Monumento extension from North Avenue station in Quezon City to Monumento in Caloocan. An additional 3 stations will be provided in Roosevelt, Balintawak and Monumento. In addition, 48 new LRVs will also be provided to further increase the fleet size to 192 LRVs, which in turn will generate an estimated ridership of about 1.35 million passengers per day.

Mr. de Tagle, Jr. then cited two other projects that MRTC intends to re-submit proposals for in 2023. The first project is the Makati Loop, which involves a 6-kilometer loop from Ayala-EDSA to the Reclamation Area, with 8 stations going to Taft, Macapagal Avenue and back to EDSA's MRT Station. The second project is the Airport Link, which is a 4-kilometer rail from MRT3-Taft Avenue station to the three airport terminals, passing through Roxas Boulevard to the NAIA Road, and then to the airport terminals.

MRTDC Advertising Operations

Mr. de Tagle Jr. then provided updates on the advertising operations of MRTDC.

For 2022, MRTDC's objective was to maximize revenue potentials post-pandemic and amid looming global economic slowdown. Despite difficult times, MRTDC managed to perform well by utilizing existing advertising assets, particularly through: (i) identification of advertising assets that are highly attractive to market, (ii) direct marketing approach and partnering with leading advertising agencies for market penetration, and (iii) promotion of existing advertising assets via in-house ad campaigns or through public information drive in partnership with government agencies.

MRTDC supplemented the foregoing advertising activities with a creative marketing approach. It provided percentage discounts via extended exposures of ads and/or free exposure on additional ad inventories. MRTDC engaged top ad agencies for more stable and long-term ad placements. Because of these efforts, MRTDC is able to establish good relationships with existing clientele for continued business partnerships.

Mr. de Tagle Jr. then showed sample images of the 62 outdoor static billboards along the MRT3 stations, and images of the two outdoor LED billboards along Boni Station northbound and southbound lanes. He also presented samples of MRTDC's over 1,000 below-the-rail ad inventories.

MRTDC's 2023 Financial Outlook

Mr. de Tagle, Jr. ended his report by sharing the financial outlook of MRTDC. Coming from an upward performance of Php324 Million in gross revenues in 2022, MRTDC projects an almost double increase in its gross revenues in 2023 of about Php749.49 Million. This is due to expected increase in revenues coming from static billboards, which is over 50% of MRTDC's inventory. MRTDC also seeks to increase its income coming from cable trays from telecommunication company clients.

Mr. de Tagle, Jr. ended by stating that 2022 was a good year, and MRTDC was able to earn a net income of Php132 Million for the Corporation. He then thanked management and the shareholders for their good work this year.

The Chairman thanked Mr. de Tagle, Jr. for his report. The Chairman opened the floor for questions from the stockholders. However, no questions were submitted.

6. **Report of the Chief Financial Officer**

The Chairman then called on Mr. Ramon G. Jimenez, the Corporation's Chief Financial Officer, to present his report.

Mr. Jimenez presented the Consolidated Financial Statements of the Corporation and its subsidiaries, Metro Global Royal Holdings Corporation ("MGH Royal") and Metro Renewable Transport Solutions, Inc. ("MRTSI") (collectively referred to as the "Group") for the calendar year ended 31 December 2021. As of 31 December 2021, both MGH Royal and MRTSI are not yet in commercial operation. The Consolidated Financial Statements were audited by Isla Lipana & Co., and for which the latter has issued an unqualified opinion. The Consolidated Financial Statements were approved for issuance by the Board on May 10, 2022.

Copies of the Consolidated Financial Statements are available at the Corporation's website and the PSE EDGE portal, and formed part of the Definitive Information Statement.

Mr. Jimenez reported that the Group's primary asset continues to be its investments in the MRT Companies, i.e., Metro Rail Transit Holdings, Inc. ("MRTH I"), Metro Rail Transit Holdings II, Inc. ("MRTH II"), Monumento Rail Transit Corporation ("Monumento Rail"), and MRTDC. The Group is 87.90% owned by Fil-Estate Management, Inc. ("FEMI").

Mr. Jimenez then stated that one factor that materially improved the Group's Statement of Financial Position and total comprehensive income for the year ended December 31, 2021 was the dividend income received by the Group from MRTH II, as discussed in note 5.1(c) of the Consolidated Financial Statements. The Group's share in the dividends declared by MRTH II amounted to Php2,606,190,497.00. The resulting receivables from MRTH II were discharged/settled as follows:

a. Php147,706,848.00 was offset and eliminated against the liability to

MRTH II, representing outstanding cash advances received from MRTH II and recorded as "due to other related parties";

b. Php1,567,446,876.00 was applied against liability from the sale of future share distributions shown as a reduction of investment in MRTH II.
c. The remaining balance of Php891,036,773 will be settled in cash and presented as dividend receivable under "due from related parties".

He then proceeded to discuss the results of the operation or the Income Statement of the Group. As a result of the dividend income that the Group received from MRTH II, the Group's net income increased significantly from Php0.9 Million in 2020 to Php2.6152 Billion in 2021.

The Group's total comprehensive income also increased remarkably from Php1.5 Million in 2020 to Php2.6155 Billion in 2021. This was despite the: (i) decrease in depot royalty income from Php9.3 Million in 2020 to Php7.9Million in 2021, and (ii) increase in the Group's general and administrative expenses from Php12.7 Million to Php32 Million. The 15.1% decrease in the Group's share in the depot royalty income was due to the COVID-19 restrictions on the operations of the Trinoma Commercial Center. On the other hand, the 60.39% increase in the Group's general and administrative expenses was mainly due to the increase in personnel salaries and wages.

The Group also received in 2021 a non-refundable exclusivity fee from a third-party in the amount of Php20 Million for a prospective infrastructure-related investment. At the end of the year, this was recognized as "other income" since the third-party agreed to no longer proceed with the transaction.

Mr. Jimenez then discussed the Group's Statement of Financial Position. The Group's total assets increased by Php2.5 Billion, from Php1.5156 Billion in 2020 to Php3.9808 Billion in 2021. The Group's total liabilities also decreased by Php150.3 Million from Php1.4978 Billion in 2020 to Php1.3475 Billion in 2021. Stockholders' equity also significantly increased from Php17.8 Million in 2020 to Php2.6333 Billion in 2021.

The increase in the total assets of the Group was largely due to the increases in the "due from related parties" and "financial assets" accounts, which, in turn, resulted from the dividend income received from MRTH II. There was also an increase in the "investment in associate" in view of the recognition of the Group's share in the net equity earnings of MRTDC. The other asset accounts of the Group had minimal changes in 2021.

On the other hand, the decrease in the total liabilities of the Group was due to decreases in the "due to a stockholder" and "due to other related parties" accounts. The latter was due to the offsetting of the cash advances received by the Group from MRTH II against the dividends paid by MRTH II to the Group. The Group's income tax payable likewise decreased as the Group had no taxable income in 2021. The other liabilities accounts of the Group had minimal changes in 2021.

The increase in stockholders' equity was attributable to the increase in the "retained earnings" account of the Group from a negative balance of Php2.571 Billion in 2020 to a positive balance of Php44.2 Million in 2021. Again, this was brought about by the dividend income received by the Group from MRTH II.

Mr. Jimenez then announced the Group's financial projections for 2022. He said that there is a projected increase in the Group's share in the depot royalty income from MRTDC brought about by the easing of the COVID-19 restrictions, which is expected to further improve the Group's financial position and comprehensive income by 2022.

It is also projected that before the end of 2022, the valuation of the MSPSI shares, which the Group is acquiring from FEMI, will be completed. This is in line with the new business direction of the Group, which is to engage in the development of renewable energy through solar farms, wind farms, waste-to-energy and other renewable energy projects. The completion of the valuation of the MSPSI shares will pave the way for the finalization and implementation of the Php3 Billion increase in the authorized capital stock of the Corporation by the first quarter of 2023. Mr. Jimenez then presented the projected capital structure of the Corporation for the year ending 31 December 2023.

The stockholders were then given the opportunity to ask questions or to comment on the report. However, no queries were submitted.

7. Approval of the Annual Report and Audited Financial Statements for the Calendar Year Ended 31 December 2021

The next item on the agenda was the approval of the Annual Report and Audited Financial Statements for the calendar year ended 31 December 2021.

The Chairman requested the Corporate Secretary to present the proposed resolution and the voting results on this item.

The Corporate Secretary announced that based on the tabulation results, 100% of the shares present or represented by proxy approved the Annual Report and the Audited Financial Statements for the period ended December 31, 2021.

8. Ratification of All Acts and Resolutions of the Board of Directors, Board Committees, and Officers from December 14, 2021 to the Present

The Chairman then announced that the next item on the agenda was the proposed resolution for the stockholders to ratify all acts and resolutions of the Board of Directors, Board Committees and officers of the Corporation since the date of the last Annual Meeting held on December 14, 2021 up to the present.

The Corporate Secretary explained that submitted for ratification were all acts and resolutions of the Board of Directors, Board Committees and officers of the Corporation that were duly adopted in the ordinary course of business since December 14, 2021 up to the present. The Corporate Secretary pointed out that a list of such acts was provided in the Definitive Information Statement, made available in the Corporation's website, and shown during the meeting.

The Corporate Secretary then announced that based on the tabulation results, the required number of votes have been cast in favor of the resolution. The Chairman thus declared the resolution approved.

9. Election of Directors for the Year 2022 to 2023

The Chairman then announced that the next item on the agenda is the election of the directors of the Corporation who shall serve for a term of one year and until the next election. The Chairman added that the stockholders shall elect nine directors, at least two of whom shall be independent directors pursuant to the Securities and Regulation Code and the Corporation's New Manual of Corporate Governance.

The Chairman then requested the Corporate Secretary to present the nominees for the members of the Board of Directors, on behalf of the Corporate Governance Committee.

The Corporate Secretary then announced, on behalf of the Corporate Governance Committee, the Final List of Nominees for the members of the Board of Directors. For regular directors, the nominees were:

Robert John L. Sobrepeña
Ferdinand T. Santos
Noel M. Cariño
Rafael Perez de Tagle, Jr.
Jaime M. Cacho
Roberto S. Roco; and
Alice Odchigue-Bondoc

For independent directors, the nominees were:

Francisco C. Gonzalez
Jose Wilfrido M. Suarez

The Corporate Secretary then reported that the nominees possess all the qualifications and none of the disqualifications to hold office as directors.

The Chairman then requested the Corporate Secretary to present the voting results on the election of directors.

The Corporate Secretary announced that based on the tabulation results, each of the nominees has obtained the required number of votes to be elected as members of the Board.

10. Appointment of External Auditor

The Chairman then announced that the next item on the agenda was the proposal for the approval of the appointment of the auditing firm of Isla Lipana & Co. as the external auditor of the Corporation for the current calendar year ending December 31, 2022. The Chairman added that the Board of Directors, upon recommendation of the Audit Committee, has approved the engagement of Isla Lipana & Co. to conduct the audit of the Corporation's financial statements for the year ending December 31, 2022.

The Chairman then requested the Corporate Secretary to present the voting results on this item.

The Corporate Secretary announced that based on the tabulation results, 100% of the shares present or represented by proxy approved the appointment of Isla Lipana & Co. as External Auditor for the fiscal year ending December 31, 2022.

11. Adjournment

There being no further business to discuss, the meeting was thereupon adjourned.

ATTEST:

ROBERT JOHN L. SOBREPEÑA
Chairman

Gilbert R. T. Reyes
GILBERT RAYMUND T. REYES
Corporate Secretary

ANNEX "G"

COVER SHEET

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
SEC FORM I-ACGR	ICTD/CGFD/MSRD	Not applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	8633-6205	Not applicable

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1912	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
Atty. Alice O. Bondoc	jojo_bondoc@yahoo.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
PHILIPPINES

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2022

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

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

5. Metro Manila, Philippines
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. Mezzanine Floor, Renaissance Towers, Meralco Avenue
Pasig City, Metro Manila, Philippines   1600
Address of principal office   Postal Code

8. +632-6336205
Issuer's telephone number, including area code

9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	**ADDITIONAL INFORMATION**	**EXPLANATION**
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Please refer to company website Link: ***Board of Directors*** ***Trainings attended by the Directors:*** **20 July 2022**- *2022 Annual Corporate Governance Seminar- Sustainability and Role of Boards Geopolitical Risk* **13 December 2022**- *Corporate Governance by ROAM* Link: ***MGH Amended By-Laws*** Article III-Board of Directors Section 2-Qualifications (page 3)	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	*Board Composition* ***Annex "1"***	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance***- provision 2.2 Board Governance 2.2.1 Board of Directors (page 5) *Note: Board's Charter – Authority, Duties and Responsibilities can be found in the Revised Manual on Corporate Governance*	

2. Company has an orientation program for first time directors.	Compliant	**20 July 2022**- 2022 Annual Corporate Governance Seminar- Sustainability and Role of Boards Geopolitical Risk **13 December 2022**- Corporate Governance by ROAM	
Company has relevant annual continuing training for all directors.	Compliant		
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** – Section 2.2.2 Composition of Board (page 5-6) Link: ***Board Diversity Policy*** ***https://mghcorporation.com/index.php/corporate-governance/company-s-policy*** *Link:* ***MGH Website - Company Board Directors*** In 2022, the Board is composed of eight (8) male directors and one (1) female director, Atty. Alice Odchigue-Bondoc who has over 25 years of legal expertise relevant to the Company's industry.	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	***2017 Revised Manual on Corporate Governance***	
Recommendation 1.5			

1. Board is assisted by a Corporate Secretary.	Compliant	Our Corporate Secretary is Atty. Gilbert Raymund T. Reyes while our Compliance Officer is Atty. Alice Odchigue Bondoc. Atty. Reyes is not a member of the Board of Directors. **Link:** ***2017 Revised Manual on Corporate Governance*** – Section 2.4 The Corporate Secretary (pages 27-28) for the Qualifications, Duties and Functions.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	***Attendance to Seminar on Good Governance held on 13 December 2022 by Corporate Secretary, Atty. Gilbert Reyes***	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	***2017 Revised Manual on Corporate Governance***	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Compliance Officer : Atty. Alice O. Bondoc **Link:** ***2017 Revised Manual on Corporate Governance*** – Section 2.1 Compliance System 2.1 Compliance Officer (pages 3-4) for the Qualifications, Duties and Functions.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		

3. Compliance Officer is not a member of the board.	Non-Compliant		The Company's 2017 Revised Manual on Corporate on Section 2.1.2 directs the Compliance Officer to perform such other duties and responsibilities as may be prescribed by the Board of Directors, consistent with and in accordance with the objectives of this Manual and as may be provided by the Securities and Exchange Commission. The Board has deemed the Compliance Officer remain a director of the Company so that the Compliance Officer is well-aware of the planned business directions of the Company and the reasons thereof. Also, information on corporate affairs which otherwise would only be available to the Directors of the Company is also made readily available to the Compliance Officer who can give immediate advice to the Board on matters that might have compliance issues.
4. Compliance Officer attends training/s on corporate governance.	Compliant	**Link:** Certificate of Attendance on 13 December 2022 Corporate Governance Seminar of Atty. Bondoc	

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance***- Section 2.2.5 Responsibilities, Duties and Functions of the Board (pages 9-15)	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance***– Section 2.2.5 Responsibilities, Duties and Functions of the Board (pages 9-15)	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Link: ***Company's Vision, Mission and Core Values.*** 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.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	***Result of the 9 December 2022 ASM and Organizational Meeting***	

Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Chairperson :ROBERT JOHN L. SOBREPEÑA Link: ***MGH Chairperson***	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	If any of such positions becomes vacant by reason of death, disqualification or any other cause, the Board of Directors, by majority vote, may elect a successor who shall hold office for the unexpired term. The Board looks for suitable candidates within the organization and has identified candidates who would be qualified and eligible to fill positions that may become vacant. Link: *Succession Planning Policy* ***"Annex 2"***	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			
Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Link:***2017 Revised Manual on Corporate Governance***– Section 2.2.12 Remuneration of Directors and Officers. Link: *Remuneration Policy* ***"Annex 3"*** Link: ***MGH Amended By-Laws*** *Remuneration process* ***"Annex 4"*** Link: ***2022 Annual Report*** Part III- Control and Compensation Information Item 10 Executive Compensation	
Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	***2017 Revised Manual on Corporate Governance***	

2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	Link: ***2017 Revised Manual on Corporate Governance*** 2017 Revised MCG – Sec. 2.2.5 also known as Responsibilities & Functions of the Board under item "ii" letter "S"	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Link: ***2017 Revised Manual on Corporate Governance*** Section 2.3.2 Nomination Committee Link: ***2017 Revised Manual on Corporate Governance*** Section 6.1 INVESTORS' RIGHTS AND PROTECTION-6.1.2.4 Voting Rights (page 35-36) Link: ***MGH Amended By-Laws*** – Minority shareholders have a right to nominate candidates to the board	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		

Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors	Compliant	Link: ***Election of new Independent Director*** ***Result of the 9 December 2022 ASM and Organizational Meeting***	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Link: metroglobalholdings.com website under Corporate Governance- Company Policies- Material ***Related Party Transactions Policy*** In 2020 there were no transactions or proposed transactions to which the Company was or is to be a party during which any director/executive officer of the Company, any nominee for election as director, any security holder or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest. ***"Annex 5"-*** provides the summary of outstanding balances as of December 31, 2020 of transactions that have been entered into with related parties in prior years.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		

Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	**Link**: ***2022 Annual Report*** Part III- Control and Compensation Information Item 12-Certain Relationship and Related Transactions	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	The company follow the voting system stated in the Amended By-Laws Link: ***MGH Amended By-Laws*** Article 5-Meeting Section 6	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** – Duties and Responsibilities of the Board (b) (pages 10) The Management team appointed consist of the following: CEO : Robert John L. Sobrepena Chief Risk Officer : Atty. Ferdinand T. Santos Chief Compliance Officer: Atty. Alice Odchigue-Bondoc Chief Audit Executive: Solita Santos-Alcantara Link: ***MGH Amended By-Laws***	

2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance***– Duties and Responsibilities of the Board (x) (pages 10) **Link:** "Annex 6" Result of BOD Internal Self-Rating Form	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Information on Board's performance management framework for management and personnel is provided in ***"Annex 7"***	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** – Section 2.2.5 (ii.u.)- Responsibilities, Duties and Function of the Board(page 12) and 2.2.10- Internal Control	

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Responsibilities of the Board (page 18)	
3. Board approves the Internal Audit Charter.	Compliant	**Link:** ***MGH Internal Audit Charter***	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** – Section 2.2.5 (ii.j.)-Responsibilities, Duties and Function of the Board(page 11) *Risk Management Policy see* ***"Annex 8"***	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Board Charter is found in the Revised Manual on Corporate Governance Link: ***2017 Revised Manual on Corporate***	

2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	***Governance*** – Section 2.2. –Board Governance (page 5-19) Link: ***MGH Amended By-Laws*** Art. 3 of MGH By-Laws	
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Provided in the website under Corporate Governance- Company Policies Link: ***Insider Trading Policy***	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	The Company does not grant loans to Directors.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Link: ***MGH Amended By-Laws*** Art. 2 of MGH By-Laws	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Link: ***MGH Board Committees***	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	Link: ***MGH Audit Committee Charter*** Link: ***2017 Revised Manual on Corporate Governance*** Section 2.3.4-Audit Committee (Page 23)	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Link: ***MGH Audit Committee*** Independent directors represents 20% of Board composition per mandate of law	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Link: ***MGH Audit Committee***	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Link: ***MGH Board Committees***	
Supplement to Recommendation 3.2			

1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Link: ***MGH Audit Committee Charter*** – Under "Authority" There were no non-audit services conducted by the external auditor for the year 2019.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Link: ***MGH Audit Committee Charter*** – Under "Authority and External Auditor"	
Optional: Recommendation to 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	Link: ***Attendance Sheet "Annex 9"*** AC meetings were held on May 6, 2022, May 20, 2022, August 4, 2022 and October 11, 2022	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	***Result of the 9 December 2022 ASM and Organizational Meeting***	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Link: ***Result of the 9 December 2022 ASM and Organizational Meeting***	

2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Link: ***Result of the 9 December 2022 ASM and Organizational Meeting*** Independent directors represents 20% of Board composition per mandate of law	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	**Link:** ***Result of the 9 December 2022 ASM and Organizational Meeting***	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	Link: ***Definitive Information Statement (2022)*** ***Link:*** ***2022 Annual Report , pages 44 & 45 (approval of Corporate Governance Committee Charter)*** ***Link:*** ***Result of the 9 December 2022 ASM and Organizational Meeting***	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Link: ***Result of the 9 December 2022 ASM and Organizational Meeting***	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Link: ***2017 Revised Manual on Corporate Governance*** Section 2.3.6 - Board Risk Oversight Committee (BROC) (Page 24-25)	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Link: ***MGH Board Committees*** ***Result of the 9 December 2022 ASM and Organizational Meeting***	

4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Link: ***2017 Revised Manual on Corporate Governance*** Section .3.6 - Board Risk Oversight Committee (BROC) Page 24-25	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Link: ***Result of the 9 December 2022 ASM and Organizational Meeting***	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Link: ***2017 Revised Manual on Corporate Governance*** Section 2.3.7–Related Transactions Committee(Page 25-27)	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Link: ***2017 Revised Manual on Corporate Governance*** Section 2.3–Board Committees(Page 19-27)	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	Link: ***MGH Board Committee Charters*** ***Result of the 9 December 2022 ASM and Organizational Meeting***	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** Section 2.2.6 Specific Duties and Responsibilities of a Director (ii) (pages 14) ***By-Laws of MGH*** ***Result of the 9 December 2022 ASM and Organizational Meeting***	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Prior to meetings of the Board and Committee, copies of presentation materials and minutes of previous meeting are provided by management at least 5 business days before the meeting of board and committee.	
The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** Section 2.2.6 Specific Duties and Responsibilities of a Director (iii) (pages 14)	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	**Link:*2017 Revised Manual on Corporate Governance*** Section 2.2.3– Multiple Board Seats (page 8) See ***"Annex 10"*** for the information on the directorships of the company's directors in both listed and non-listed companies	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** Section 2.2.6 Specific Duties and Responsibilities of a Director (i) (pages 13-14	

Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	See ***"Annex 10"***	
2. Company schedules board of directors' meetings before the start of the financial year	Compliant		While the Board meetings were not formally scheduled on specific dates at the start of the year, the Board customarily holds quarterly Board meetings for the approvals of the quarterly financial reports, regular Board meetings related to the holding of its Annual Shareholders' Meeting and organizational meeting immediately after.
3. Board of directors meet at least six times during the year.	Compliant	Link: ***Website Corporate Disclosure SEC17-C***	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-compliant		The By-Laws of the Company require only a majority of the members of the Board present to constitute a quorum.

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Independent directors represents 20% of Board composition per mandate of law ***"Annex 1"***	

Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** Section 2.2.2 Composition of the Board of Directors (page 6-7)	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** Section 6.1 INVESTORS' RIGHTS AND PROTECTION-6.1.2 Voting Rights (page 35-36)	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** Section 2.2.2 Composition of the Board of Directors (page 7) item 11	
The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** Section 2.2.2 Composition of the Board of Directors (page 7) item 11	
2. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** Section 2.2.2 Composition of the Board of Directors (page 7) item 11	
Recommendation 5.4			

1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-compliant	Mr. Robert John Sobrepena is the Chairman of the Board and CEO of the Company.	Notwithstanding that the Chairman and CEO are one and the same person, here is a lead independent director to ensure that the Board gets the benefit of independent view. The Company also has a President who handles the administration and direction of the day-to-day business of the Company and who ensures that the Board gets the benefit of independent views in formulating, evaluating and assessing the effectiveness of the policies of the Company I-ACGR 2019 and Manual on Corporate Governance indicates that the corporation designated a lead director among the independent directors who does not reflect the role of the president .
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** Section 2.2.4 The Chair and Chief Executive Officer (pages 8-9) ***MGH Amended By-Laws*** Art. IV Secs. 2 & 4	
Recommendation 5.5			

1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	The Board has designated its Independent Director, Mr. Francisco Gonzales as "Lead Director" to ensure that the Board gets the benefit of independent views. His functions as lead director include, among others, the following: 1. Serve as an intermediary between the Chairman and the other directors when necessary; 2. Convene and chairs meeting of the non-executive directors; and 3. Contribute to the performance evaluation of the Chairman, as required. **Link:** ***2017 Revised Manual on Corporate Governance*** Section 2.2.2 Composition of the Board of Directors (page 8) item 11	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** Section 2.2.6 Specific Duties and Responsibilities of a Director (i) (pages 13-14)	
Recommendation 5.7			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.		Provided in the Revised Manual on Corporate Governance 2.2.6 Specific Duties and Responsibilities of a Director (vii) (pages 13-14) Link: ***2017 Revised Manual on Corporate Governance*** Provided in the Revised Manual on Corporate Governance 2.2.2 Composition of the Board of Directors (page 8) item 11 Link: ***2017 Revised Manual on Corporate Governance*** The meetings are chaired by Francisco C. Gonzalez, an Independent Director.	
2. The meetings are chaired by the lead independent director.	Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Non-Compliant	Robert John Sobrepena has been the CEO of the Company for the past 2 years	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	See "Annex 6 and Annex 11"	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Certification of Third-Party Board Evaluation for 2021 from Good Governance Advocates and Practitioners of the Philippines, Inc. issued on 22 April 2022 See ***"Annex 12"***	
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	***See "Annex 13"***	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	**Link:** ***Code of Business Conduct and Ethics***	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	***Code of Business Conduct and Ethics*** The corporation requires continuous management attention at all corporate levels to assure compliance with the spirit and letter of this policy.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	**Link:** ***Code of Business Conduct and Ethics***	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	**Link:** ***Code of Business Conduct and Ethics***	

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	**Link:** ***Code of Business Conduct and Ethics*** The Board of Directors of the Company supervise the compliance of this Code by the Senior Management of the Company, and authorize the President of the Company to be responsible for the implementation of this Code and observe the compliance hereof. The Company's management evaluates the adequacy and effectiveness of this Manual periodically and amend this Manual according to the evaluation result or as required by the Board of Directors. It is the strict policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct. ***2017 Revised Manual on Corporate Governance*** – Sec. 2.2.5 (ii) [z] All executives, officers, staff and employees of MGH, employed regardless of status of employment in the company are required to comply with the Code of Business Conduct and Ethics	

2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	***2017 Revised Manual on Corporate Governance*** Sec. 2.2.5 also known as Responsibilities, Duties & Functions of the Board (bb)	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	In accordance with the implementing Rules and Regulations of the Securities Regulation Code, the Company discloses its audited financial statements as part of the annual report within 105 days after the end of the fiscal year. The Company filed on 17 April 2023 its audited financial statements for the year ending 31 December 2022 as part of its Annual Report. **Link**: ***2022 Annual Report*** The 2022 Quarterly reports were disclosed and published within 45 days from reporting period. Links: ***2022 Q1 Quarterly Report*** ***2022 Q2 Quarterly Report*** ***2022 Q3 Quarterly Report***	

2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	The Annual Report discloses the degree of ownership concentration, particularly the security ownership of certain beneficial owners and management. Link: ***2022 Annual Report*** Item 5: Market for Registrants Common Equity and Related Stockholders Matters The Company upholds and protects the rights of minority shareholders. Link: ***2017 Revised Manual on Corporate Governance*** Page 35 –Sec. 6.1 Investors Right and Protection	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	***2017 Revised Manual on Corporate Governance*** *– Sec. 2.2.6 (VIII)*	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		

Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Shareholdings of Directors in the Company **Link:** ***Top 100 shareholders as of December 31, 2022*** ***Monthly Public Ownership Report disclosed in the PSE EDGE*** ***Company's Conglomerate Map.***	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to "Item 9. Directors and Executive Officers of the Registrant - Section (A) Executive Officers of the Registrant" **Link**: ***2022 Annual Report***	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to "Item 9. Directors and Executive Officers of the Registrant - Section (A) Executive Officers of the Registrant" **Link**: ***2022 Annual Report***	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Link: ***MGH Remuneration Charter*** ***MGH Amended By-Laws Art. 3 Sec. 8*** ***2017 Revised Manual on Corporate Governance*** – Sec. 2.2.5 (ii) [s] Sec. 2.3.3	

2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Link: ***MGH Remuneration Charter*** ***MGH Amended By-Laws*** *Art. 4 Sec. 13* ***2017 Revised Manual on Corporate Governance–*** *Sec. 2.2.5 (ii) [s] Sec. 2.3.3*	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	**Link**: ***2022 Annual Report*** Part III- Control and Compensation Information Item 10 Executive Compensation	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	**Link:** ***Company Policies-MGHC Material Related Party Transactions Policy*** Provided in the Revised Manual on Corporate Governance 2.2.5 Responsibilities, Duties and Functions of the Board (page 11-k&l) Link: ***2017 Revised Manual on Corporate Governance***	

2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Information on RPTs of the Company can be found in Notes 3 & 14 of the Audited Financial Statements. **Link**: ***2022 Annual Report***	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	**Link:** Code of Business Conduct and Ethics	
Principle : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Information on RPTs of the Company can be found in Notes 3 & 14 of the Audited Financial Statements. **Link**: ***2022 Annual Report***	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	***2017 Revised Manual on Corporate Governance***– Sec. 2.2.5 (ii) [bb] [cc]	

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	These major decisions have to be approved by the Board of Directors and stockholders, as necessary. Link: ***2022 Annual Report*** Item 1 – Business development, Expansion of the Company's Primary Purpose	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Link: ***2017 Revised Manual on Corporate Governance*** **Link**: ***2022 Annual Report*** Item 1 Business	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Link: ***2017 Revised Manual on Corporate Governance***	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		

3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	PSE Edge: ***MGH Manual on Corporate Governance*** SEC: ***2017 Revised Manual on Corporate Governance***	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	**Link**: ***2022 Annual Report*** Please refer to "Item 1. Business Development" and "Item 6. Management's Discussion and Analysis or Plan of Operations" Please refer to "Item 6. Management's Discussion and Analysis or Plan of Operation – "Management Discussions and Analysis of Financial Condition and Results of Operations"	
a. Corporate Objectives			
b. Financial performance indicator			
c. Non-financial performance indicators			
d. Dividend Policy			

e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors		Please refer to "Item 6. Management's Discussion and Analysis or Plan of Operation – "Other Matters" Please refer to "Item 5. Market for Registrants Common Equity and Related Stockholders Matters, Section (3) Dividends" Please refer to "Item 9. Directors and Executive Officers of the Registrant; Section (A) Executive Officers of the Registrant" Please refer to "Item 10. Executive Compensation"	
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors	Compliant		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	CEO Robert John L. Sobrepena and Independent Director Francisco Gonzales attested the company's full compliance with SEC Code of Corporate Governance last July 28, 2014. For the 2017 Code of Corporate Governance, the CEO and Compliance Officer attested to the company's compliance. Per SEC Memorandum Circular No. 5, Series of 2013, the Corporate Governance Section in the Annual Report is deleted but the Company is instead directed to file an Annual Corporate Governance Report.	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	The management gathers all material information before committing funds. The BOD reviews and approves policies of managing liquidity and credit risks.	

4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	In order to meet the effectiveness of the Internal Control System and to consider them effective and adequate the Audit Committee perform the following duties and responsibilities: 1. Monitor and evaluate the adequacy and effectiveness of the company's internal control system, including information technology security and control. 2. Understand the scope of internal and external auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses. 3. Review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function. 4. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive. 5. Review the effectiveness of the internal audit function, including compliance with Standards for the Professional Practice of Internal Auditing. 6. On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	The company's Risk currently facing is attached as ***"Annex 14"***	

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	"***Annex 15"***Audit Committee Process	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	The Board approved the appointment of Isla Lipana & Co. as the Company's independent external auditor for the year 2021 to 2022 which appointment was ratified during the annual stockholders meeting held on December 14, 2021, where the Company received total votes in person and by proxy of 88.14% stockholders entitled to vote. Link: ***Result of the 14 December 2021 ASM and Organizational Meeting*** Please refer to Number 2.4	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	***2022 Definitive Information Statement Item 8-Independent Public Accountant***	
Supplement to Recommendation 9.1			

1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Provided in the ***Audit Committee Charter***	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant	Link: ***Audit Committee Charter***	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Link: ***Audit Committee Charter***	
Supplement to Recommendations 9.2			

1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Link: ***Audit Committee Charter***	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Link: ***Audit Committee Charter***	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	There were no non-audit services conducted by the external auditor for 2022	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Link: ***Audit Committee Charter "Authority"*** Link: policies on non-audit services ***"Annex 16"***	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Audit Fees paid for 2022 amounted to Php650,000.00 exclusive of 12%VAT and out-of-the-pocket expenses There were no non-audit services conducted by the external auditor for 2022	
Additional Recommendation to Principle 9			

1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	1. Name of Audit Engagement Partner: **Dennis M. Malco** 2. Accreditation number: **Partner – 126035-SEC** **Firm –0142-SEC** 3. Date Accredited: **Partner – April 12, 2022** **Firm – December 22, 2020** 4. Expiry date of accreditation: **Partner – audit of 2021 - 2025 financial statements** **Firm – audit of 2020 - 2024 financial statements** 5. Name, address, contact number of the audit firm: **Isla Lipana & Co.** **29/F Philamlife Tower, 8767 Paseo de Roxas, Makati City 1226 Philippines** **Tel. No. +63 (2) 8845 2728** **dennis.malco@pwc.com**	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	The firm **Isla Lipana & Co.** agrees to be subjected to SOAR.	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Link: ***2017 Revised Manual on Corporate Governance***	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Link: ***2022 Annual Report*** – Part V-Exhibits & Schedules – (2) 2022 Sustainability Report	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	***MGH Website*** ***PSE Edge Portal-MGH*** ***SEC i-view: https://ireport.sec.gov.ph/iview/index.html***	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	***MGH Website***	
a. Financial statements/reports (latest quarterly)			
b. Materials provided in briefings to analysts and media			

Downloadable annual report			
c. Notice of ASM and/or SSM			
d. Minutes of ASM and/or SSM			
e. Company's Articles of Incorporation and By-Laws			
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	***MGH Website***	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	Internal audit performs in accordance with its charter, which is consistent with the Standards and code of ethics Regular communication and reporting of audit observation and recommendation to senior management.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	The Company used COSO framework for Enterprise Risk Management Risk Management Policy see ***"Annex 8"*** The company's Risk currently facing is attached as ***"Annex 14"*** Periodic review is being done	
Supplement to Recommendations 12.1			

1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	**Link:** ***Code of Business Conduct and Ethics***	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	MGH IT Disaster Recovery Plan ***"Annex 22 "*** ***2022 Annual Report*** – Part V-Exhibits & Schedules – (2) 2022 Sustainability Report	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Internal Audit function is in-house. CAE from parent company is seconded to this company.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Ms. Solita S. Alcantara **Link:** ***2017 Revised Manual on Corporate Governance 2.6.2.3***	

2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	Link: ***Internal Audit Charter***	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	Ms. Solita S. Alcantara	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures	Compliant	Link: ***2017 Revised Manual on Corporate Governance*** Link: ***Board Risk Oversight Committee***	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally	-Compliant	Link: ***2017 Revised Manual on Corporate Governance***	

Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	The company's Chief Risk Officer (CRO) is Atty. Ferdinand T. Santos Information about the CRO is contained in the Annual Report **Link**: ***2022 Annual Report*** Please refer to "Item 9. Directors and Executive Officers of the Registrant - Section (A) Executive Officers of the Registrant"	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	CRO is company's President, so he has adequate authority, stature, resources and support to fulfill his responsibilities.	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	"Annex 17" ***for*** the CEO, AC Chairman and CAE's attestation	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance*** -Shareholders Benefits (pages 35-39)	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	**Link:** ***2017 Revised Manual on Corporate Governance***6-Shareholders Benefits (pages 35-39)	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	***MGH Amended By-Laws*** Art. 5 Sec. 6	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	***MGH Amended By-Laws***	
3. Board has an effective, secure, and efficient voting system.	Compliant	***MGH Amended By-Laws***	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	***MGH Amended By-Laws***	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	***MGH Amended By-Laws*** Art. 5 Sec. 2	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	***MGH Amended By-Laws***	
7. Company has a transparent and specific dividend policy.	Compliant	***MGH Amended By-Laws*** Art. 8 Sec. 2	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	Incumbent External Auditors	

Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	**Disclosure and Release of Notice of ASM to Shareholders** The Company disclosed to the PSE the Company's SEC Form 20-IS Definitive Information Statement (DIS) on November 9, 2022. The Company likewise posted on 9 November 2022 at the Company's website the Notice of Annual Shareholder's Meeting, which stated the date, time and place of meeting, including the rationale and explanation for each item in the agenda that requires shareholders' approval, which posting date is more than 28 days prior to December 9, 2022, the date of actual meeting. The ASM was announced months before the actual date of the meeting and was posted to PSE Edge on October 25, 2022 Link: Notice of 2022 Annual Stockholders Meeting *2022 Definitive Information Statement*	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Link: *2022 Definitive Information Statement*	

a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Link :***2022 Definitive Information Statement*** Item No. 5- Directors and Executive Officers of Registrant	
b. Auditors seeking appointment/re-appointment	Compliant	Link : ***2022 Definitive Information Statement*** Please refer to page 2	
c. Proxy documents	Compliant	Link :***2022 Definitive Information Statement*** Please refer to page 4	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Link :***2022 Definitive Information Statement*** Please refer to page 2	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Link: ***Result of the 9 December 2022 ASM and Organizational Meeting***	

2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	Link: ***[Result of the 9 December 2022 ASM and Organizational Meeting]***	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	In addition to the members of the Board of Directors, the Corporate Secretary, representatives from Isla Lipana& Co.were also present during the annual stockholders' meeting to answer shareholders' questions.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	***2017 Revised Manual on Corporate Governance***	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	***2017 Revised Manual on Corporate Governance***- Sec. 2.2.5 (ii) [n]	
Recommendation 13.5			

1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Investor Relations Officer is: MR. RAFAEL PEREZ DE TAGLE, Jr. Telephone: +632-706-1867 Fax: +632-706-1867 E-mail address: rperezdetagle@gmail.com	
2. IRO is present at every shareholder's meeting.	Compliant	**Link:** ***Result of the 9 December 2022 ASM and Organizational Meeting***	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	Link: ***MGH Amended By-Laws*** Article V-Meetings Section 5-Proxy (page 12)	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		The Company's public float is currently at 11% and is expected to increase once the Company's application for increase in ACS is approved by SEC.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	***2017 Revised Manual on Corporate Governance***- Sec. 2.2.5 (ii	

2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	Link[Notice of 2022 Annual Stockholders Meeting] ***2022 Definitive Information Statement***	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	***2017 Revised Manual on Corporate Governance***– Sec. 2.2.5 (ii) [g & h]	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	***2017 Revised Manual on Corporate Governance–*** Sec. 2.4.4 (d)	
Recommendation 14.3			

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Stakeholders can voice their concerns and/or complaints for possible violation of their rights to the Investor Relations Officer, with following contact details: MR. RAFAEL PEREZ DE TAGLE, Jr. Telephone: +632-706-1867 Fax: +632-706-1867 E-mail address: rperezdetagle@gmail.com Relative to ***Company Policies-Whistle-Blowing Policy*** 2017 Annual Corporate Governance Report	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	***2017 Revised Manual on Corporate Governance***- Sec. 2.2.5 (ii) [n] See ***"Annex "18"***	
Additional Recommendations to Principle 14			

1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	There is no instance that MGH sought any exemption for application of any law, rule or regulation for the year 2020 especially when it refers to corporate governance issue. Link	
2. Company respects intellectual property rights.	Compliant	Please see link on ***MGH Code of Business Conduct and Ethics*** under Confidential and Proprietary Information	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Non-compliant		The Company is a holding company and has no direct business operations that entails direct interaction with customers.
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	**Link:** ***Code of Business Conduct and Ethics***	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	**Link:** ***Code of Business Conduct and Ethics***	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	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 the Company. See ***"Annex 19"*** for the Reward/ Compensation Policy (reference 2016 ACGR)	

2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	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 the Company. The health of every employee shall be maintained at its highest level: 1. With existing health plan coverage, 2. With emergency medicine kit complete with emergency medicines, 3. With company nurse to address employees' health needs; assessment and, or referral of employee/s health condition in the workplace. 4. Employees are required to consult a Physician if sick leave is more than two days and a medical certificate/ clearance is required before resumption to work. 5. Pre-employment physical examination to newly hired employees. 6. Annual Physical examination to all regular employees 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. 3. An employee is advised to go home or consult immediately a Physician if with presence of any symptoms of a suspected viral illness. 4. Maintains well ventilated and non-hazardous workplace through daily inspection and maintenance of facilities/supplies. 5. Quarterly Pest Control program of the work place.	

3. Company has policies and practices on training and development of its employees.	Compliant	The management of MGHC is currently being undertaken by the executive officers and employees of the parent company, FEMI, which officers and employees are seconded by FEMI See ***"Annex 20"***for the Company's Training And Development Program	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Link: ***Code of Business Conduct and Ethics*** ***Anti-Bribery and Anti-Corruption Policy***	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The corporation requires continuous management attention at all corporate levels to assure compliance with the spirit and letter of this policy.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Company Gift-giving policy is attached as ***"Annex 21"*** No incidents of violations of the company policy found and reported.	
Recommendation 15.3			
1. Board establishes a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	***Company Policies-Whistle-Blowing Policy*** **Link:** ***Code of Business Conduct and Ethics***	

2. Board establishes a suitable framework for whistle blowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistle blowing concerns.	Compliant	***Company Policies-Whistle-Blowing Policy***	
3. Board supervises and ensures the enforcement of the whistle blowing framework.	Compliant	***Company Policies-Whistle-Blowing Policy***	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
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.	Compliant	Link: ***2022 Corporate Social Responsibility***	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		Link: ***2022 Annual Report*** – Part V-Exhibits & Schedules – (2) 2021 Sustainability Report	
2. Company exerts effort to interact positively with the communities in which it operates		Link: ***2022 Annual Report*** – Part V-Exhibits & Schedules – (2) 2021 Sustainability Report	

SUBSCRIBED AND SWORN to before me this MAY 24 2023 in QUEZON CITY by the following who exhibited to me their respective valid I.D.'s a follows:

ROBERT JOHN L. SOBREPENA
Chairman of the Board
Senior Citizen ID No. 81301
Pasig City issued 04/25/15

FERDINAND T. SANTOS
President
Senior Citizen ID No. 75098
Pasig City issued 08/19/14

FRANCISCO C. GONZÁLEZ
Independent Director (Lead)
Social Security System
ID 03-1741698-9

JOSE WILFRIDO M. SUAREZ
Independent Director
Tax Identification No.
156-395-433

ALICE ODCHIGUE-BONDOC
Chief Compliance Officer
Integrate Bar of the Philippines
ID No. 014624

GILBERT RAYMUND T. REYES
Corporate Secretary
Tax Identification No. 106-973-867

ATTY. ELISEO S. CALMA, JR.
Notary Public for Q.C. /Until Dec. 31, 2024
NOTARY PUBLIC
PTR No. 4007172D/Jan. 03, 2023/Q.C.
IBP No. 257225, Jan. 01, 2023
MCLE Comp. No. VII-0006924(09/21/2021-04/14/2025)
Adm. Matter No. NP-062(2022-2023)
20 Kamagong St., Sapamanai Vill. East Fairview Q.C.
TIN: 138-541-197-000

Doc. No. 111;
Page No. 25;
Book No. XVI;
Series of 2023

SUBSCRIBED AND SWORN to before me this ________________________ in __________________________by the following who exhibited to me their respective valid I.D.'s a follows:

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NOTARY PUBLIC

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Page No. ________;
Book No. ________;
Series of 2023

Back to recommendation **Annex"1"**

Composition of the Board

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)[1]	Elected when (Annual /Special Meeting)	No. of years served as director
Robert John L. Sobrepeña	ED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	26
Ferdinand T. Santos	ED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	26
Noel M. Cariño	NED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	26
Rafael Perez de Tagle, Jr.	ED	FEMI	FEMI	2000	September 13, 2007	Special Meeting	22
Alice Odchigue-Bondoc	ED	FEMI	FEMI	2004	September 13, 2007	Special Meeting	18
Francisco C. Gonzalez	ID	FEMI	FEMI, no relation	2010	7	Special Meeting	12
Jose Wilfrido M. Suarez	ID	FEMI	FEMI, no relation	2022	1	Special Meeting	1
Roberto S. Roco	NED	FEMI	FEMI, no relation	2004	September 2004	Special Meeting	18
Jaime M. Cacho	NED	FEMI	FEMI	2018	April 12, 2018	Special Meeting	4

[1] Reckoned from the election immediately following January 2, 2013.

METRO GLOBAL HOLDINGS CORP.

SUCCESSION POLICY

INTRODUCTION:

A change in executive leadership creates uncertainty for all organizations and can be a very challenging time. Therefore, it is the policy of Metro Global Holdings Corp. (MGHC) to be prepared for an eventual permanent change in leadership – either planned or unplanned – to insure the stability and accountability of the organization until new permanent leadership is identified. The Board of Directors shall be responsible for implementing this policy and its related procedures.

POLICY:

It is the policy of the Board of MGHC to assess the leadership needs of the organization. Therefore, ensuring the selection of a qualified and capable; a good fit for the organization's mission, vision, values, goals, and objectives; and who has the necessary competencies for the leadership needs of MGHC.

PROCEDURES:

In the event the Executive Director of MGHC is no longer able to serve in this position (i.e., leaves the position permanently), the Executive Committee of the Board of Directors shall do the following to appoint an Interim Executive Director.

Within 15 business days appoint a Succession Planning Committee, in the event that a permanent change in leadership is required. This committee shall be comprised of at least one member of the Executive Committee and two other members of the Board of Directors and the Head of Human Resources.

The Committee establishes a succession plan that identifies critical executive and management positions, forecasts future vacancies in those positions and identifies potential managers who would fill vacancies. Vacancies will be filled from within or, in the event no viable candidate is available, on an "acting" basis while an external recruitment effort is conducted.

It shall be the responsibility of this committee to implement the following preliminary transition plan:

- Communicate with key stakeholders regarding actions taken by the Board in naming an interim successor, appointing a Succession Planning Committee, and implementing the succession policy.
- Consider the need for consulting assistance (i.e., transition management or executive search consultant) based on the circumstances of the transition.
- Review the organization's business plan and conduct a brief assessment of organizational strengths, weaknesses, opportunities, and threats to identify priority issues that may need to be addressed during the transition process and to identify attributes and characteristics that are important to consider in the selection of the next permanent leader.
- Establish a time frame and plan for the recruitment and selection process.
- The Head of Human Resources shall apply the MGHC's hiring policy and procedures.
- The Board should use similar procedures in case of an executive transition that simultaneously involves the Executive Director and other key management. In such an instance, the Board may also consider temporarily subcontracting some of the organizational functions from a trained consultant or other organizations.

RESPONSIBILITIES:

It is likewise the responsibility of the Succession Planning Committee to:

1. Meet every January. At each meeting, each division head will:
    a. Present to the Committee a review of the departmental succession plan.
    b. Identify key positions and incumbents targeted for succession planning. This should include an analysis of planned retirements, potential turnover, etc.

METRO GLOBAL HOLDINGS CORP

c. Identify individuals who show the potential needed for progression into the targeted positions and leadership within the company.
d. Outline the actions taken in the previous six months to prepare identified individuals to assume a greater role of responsibility in the future.

2. By the end of February each year, the Committee will approve targeted candidates.

3. By the end of March each year, the Committee will approve an outline of actions that will be taken in the following six months to prepare individuals to assume a greater role of responsibility in the future.

4. The Chairman & CEO will periodically request updates from the Head of Human Resources on the development process for each targeted candidate.

HUMAN RESOURCES DIVISION
DECEMBER 2017

MGHC
Succession Policy December 2017
KMBenitez

METRO GLOBAL HOLDINGS CORP.

REMUNERATION POLICY

INTRODUCTION:

The Remuneration Policy addresses remuneration on an organization wide basis and is one of the key components of the HR strategy, both of which fully support the overall business strategy. The main functions of the Remuneration Policy, are to: (1) to support the Metro Global Holdings, Corp. (MGHC) strategy by helping to build a competitive, high performance and innovative company that attracts, retains, motivates and rewards high-performing employees; and (2) to promote the achievement of strategic objectives.

REMUNERATION PHILOSOPHY:

Metro Global Holdings, Corp.'s remuneration philosophy is to recruit, motivate, reward and retain employees who believe in, and live by, our culture and values. We endeavor to create a working environment that motivates high performance so that all employees can positively contribute to the strategy, vision, goals and values of the group.

Our philosophy, supported by a robust performance management practice, strives to set our employees' total remuneration package at a competitive level by benchmarking to the market and providing incentives geared to agreed performance outcomes, where appropriate.

KEY PRINCIPLES:

The MGHC Remuneration Policy is based fundamentally on the following principles:

1. The Remuneration Policy is aligned to the overall business strategy, objectives and values of the group.

2. The Remuneration policy contains arrangements for ensuring that executive remuneration is fair and responsible in the context of overall company remuneration.
3. Salaried employees are rewarded on a total rewards basis, which includes fixed, short- and long-term as well as intangible rewards (in line with market practice).
4. The fixed (guaranteed) component of the reward includes a base salary, and benefits that are normally set at market median level.
5. Total remuneration (base salary, benefits and allowances & incentives) is targeted in normal market conditions to the relevant competitive market.

REMUNERATION POLICY

STRUCTURE

MGHC's remuneration structure relating to salaried employees *(including executive directors and key officers)* comprises the following elements: **guaranteed remuneration package** (fixed or base pay and allowances), **variable remuneration** (short- term and long-term incentives) and **recognition** (special bonuses for special projects).

The fixed remuneration is guaranteed and normally paid irrespective of the Company's performance, while the variable remuneration is not guaranteed, and directly linked to and dependent upon certain group, divisional and individual performance levels being achieved.

The guaranteed remuneration package (guaranteed cost-to-company) includes the employee's total annual salary plus any non-cash fringe benefits. Typically these include company car, retirement fund and health insurance, group life and accident insurance, as well as other benefits.

METRO GLOBAL HOLDINGS CORP.

Remuneration Element	Purpose
Guaranteed Package	• Pays for overall job requirements, accountability, complexity / variety of tasks. • Ensures that MGHC attracts and retains talented high-performing people by paying a market- related guaranteed package.
Short-term Incentives	• Focuses on attaining results in both the short and medium term, whilst at the same time ensuring the successful execution of the strategic plan. • Variable component that rewards contributions to the business plan. • Offers the opportunity for Pay-for-Performance to incentivize employees.
Long-term Incentives	• Crucial in retaining business critical / key employees. • Focuses attention on achieving longer-term strategic imperatives and aligns performance with shareholder thinking and expectations. • Rewards sustainable company performance.
Recognition	• Supports and reinforces innovation and entrepreneurship. • Recognizes employees living the values of the company and contributing towards the company's growth.

MGHC
Remuneration Policy December 2017
KMBenitez

METRO GLOBAL HOLDINGS CORP.

NON-EXECUTIVE DIRECTORS

Non-executive directors are given per diem per meeting attended and a committee fee (where applicable). This approach of paying a per diem per meeting and per committee fees is in line with emerging best practice at listed companies.

Non-executive directors' fees are benchmarked against the market for companies of a similar size in a similar industry, tabled before the Board for approval, and thereafter proposed to shareholders for approval by special resolution at annual general meetings.

Non-executive directors do not receive any payments linked to Company performance and do not participate in any of the Company's incentive schemes. Non-executive directors are reimbursed for reasonable travel and subsistence expenses in line with the reimbursement policy for employees.

FAIR AND RESPONSIBLE REMUNERATION

MGHC is committed to fair and responsible remuneration across the company.

- Any possible remuneration disparities related will be identified. Any confirmed remuneration disparities will be investigated and addressed as soon as is practical / possible.
- Any unjustifiable differences in the terms and conditions of employment, including remuneration will be identified. Unjustifiable differences in pay and conditions of employment between employees at the same level will be addressed.
- MGHC believes its human resources plans/initiatives are critical in addressing remuneration disparities. This plan includes career mapping for employees across the company; development of employees; various training courses and an extensive employee value proposition, which amongst other provide for enabling/empowering work environment, a culture conducive to personal growth/opportunities.

MGHC
Remuneration Policy December 2017
KMBenitez

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MARKET POSITION

The Company aims to pay:

- on the market median (50th percentile) for employees;
- in exceptional cases up to the upper quartile (75th percentile) for certain key jobs where there are premiums due to scarce and/or technical/specialized skills, and/or market pressures;
- in exceptional cases up to the upper quartile (75th percentile) for employees who are outstanding performers on a consistent basis. This is normally a relatively small percentage of the total employees.

MARKET SURVEYS

- In line with general market practice, the company compares itself to companies within its industry (by participating in industry surveys, as well as in general industry surveys).
- The main factor in assessing the influence that external salary levels (market pressures) should be allowed to exercise internally is the extent to which there is competition for the employees in question in the open market. The ability of the company to attract and retain the right caliber of employee is normally evidence of this.
- Discretionary elements of pay beyond benchmarked levels can be included for scarcity, attraction and retention purposes, where appropriate.
- Targeting remuneration to market levels is generally done on the basis of total guaranteed package.
- To remain competitive, market-related premiums will be considered for certain skills, employment equity purposes, and if there is a shortage of skills.

MGHC
Remuneration Policy December 2017
KMBenitez

METRO GLOBAL HOLDINGS CORP.

REMUNERATION REVIEW

- A review of remuneration is conducted annually and the Board of Directors determines any resultant increase.
- Typically, a variety of factors, such as CPI, affordability, budgets, market movements/ trends, competitor remuneration, scarcity of skills, etc. is considered by the Remuneration Committee, in order to approve a mandate for the company.

REMUNERATION COMMITTEE
DECEMBER 2017

MGHC
Remuneration Policy December 2017
KMBenitez

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Compensation was paid to the officers and directors of the Company for 2017. There is no existing arrangement or consulting contract pursuant to which directors of the Company are compensated, directly or indirectly, for any services provided as director, nor are there any additional amounts payable to any of the Directors for committee participation or special assignments.	1. Senior Vice President- Compliance Officer 2. VP-Accounting The management of the Company is currently being undertaken by the executive officers of the parent company who are seconded to the Company. For the seconded officers above-mentioned, the said officers receive fixed monthly compensation for their services to the Company.
(2) Variable remuneration	See above.	See above.
(3) Per diem allowance	Section 8 of the By-Laws of the Company provides: “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 P10,000.00 per attendance at Board meetings. There is no provision in the above-quoted section that may be construed as precluding any director from serving in any other capacity and receiving any compensation therefor.	N/A
(4) Bonus	N/A	N/A
(5) Stock Options and other financial instruments	The Company has not issued any warrant/option, and there is no outstanding warrant/option held by the CEO.	The Company has not issued any warrant/option, and there is no outstanding warrant/option held by the Company’s officers or directors.

MGH Remuneration Process and Policy

Back to recommendation **"Annex 5"**

RPT	Relationship	Nature	Value
Fil-Estate Management, Inc.	Parent company	Cash advance to the Company as of December 31, 2022	P702,217,691.00
MRTH I	Affiliate	Advances in prior years to be applied against future Dividends.	P221,939,234.00
MRTH II	Affiliate	Dividend receivable.	P891,036,773.00
MRTDC	Affiliate	Advances to be applied against future Dividends.	P30,918,267.00

Details of related party transactions may be found under Note 14 of the Notes to the Financial Statements which is included in the Company's Annual Report and SEC Form 17A.

NMC

METRO GLOBAL HOLDINGS CORP

ANNUAL BOARD PERFORMANCE ASSESSMENT

POLICY AND PROCEDURES

Metro Global Holdings Corporation (the "Company") was incorporated as San Jose Oil Company, Inc. on September 17, 1954 and was listed on the Philippine Stock Exchange (PSE) on May 4, 1964 as an oil exploration company and was reorganized in 1996 into a corporate vehicle that will pursue infrastructure-related investments and was renamed Fil-Estate Corporation. On September 9, 2004, the Philippine Securities and Exchange Commission (SEC) approved the extension of the Company'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 Company, changing its name from Fil-Estate Corporation to Metro Global Holdings Corporation. The amendments were intended to identify the group of companies under the "Metro Group" and establish the affiliation of the Company with its affiliate infrastructure companies, which likewise had the word "Metro" in their corporate names.

The trading of 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.

Criteria and Process

The assessment criteria include the structure, efficiency, and effectiveness of the Board, participation and engagement of each member of the Board, contribution of each member director to their respective Committees, and the performance of management. The criteria also reflects the specific duties, responsibilities and accountabilities of each party assessed as provided in the Company's By-Laws, Manual on Corporate Governance, Board Committee Charters and governing policies.

The following rating system shall be used by the directors in accomplishing the self-rating form:

E : Excellent
G : Good
VS : Very Satisfactory
S : Satisfactory
NI : Needs Improvement

The form also allows the director to provide comments and suggestions to further enrich the assessment process. For further clarification on this policy and the performance assessment exercise, the Board may address their queries to the Compliance Officers

Facilitated by the Compliance Officer, the annual self-rating form shall be accomplished and signed by each individual director. The Compliance Officer shall collate the accomplished forms thereafter.

The Compliance Officer may amend the self-rating form as deemed necessary, provided that the same shall be compliant with sound corporate governance standards and practices and applicable law.

1

BOARD OF DIRECTORS INTERNAL SELF-RATING FORM

METRO GLOBAL HOLDINGS CORP.

INSTRUCTIONS:

Please accomplish this form by checking (✓) the item that corresponds to your answer. Each item represents the following:

E : Excellent
G : Good
VS : Very Satisfactory
S : Satisfactory
NI : Needs Improvement

NAME : Noel CARIÑO
SIGNATURE :
DATE :

PART 1
BOARD APPRAISAL

1. The Board has the right size and composition to bring the requisite knowledge, abilities, diversity and skills to the table.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

2. The Board, as a whole, possesses the right skills and background for the current issues facing the company.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

2

3. The Board has sufficient diversity and independence among its directors, allowing it to constructively challenge one another and management in carrying out their respective functions and duties aligned with the company's strategic directions.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

4. The Board receives ongoing education, allowing directors to stay up to date with developments and to understand their impact.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

5. The frequency, duration and scheduling of Board meetings per year were adequate to ensure proper coverage of the Board's responsibilities.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

6. Directors receive adequate materials before the Board meeting.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

7. Meetings are effective with sufficient materials, limited presentation, and an atmosphere that encourages open dialogue.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

8. The non-executive directors can have a separate meeting without any executive directors present to ensure that proper checks and balances are in place within the company.

( ) E ( ) G ( ) VS ( ) S ( ) NI

3

Comments:

9. The Board receives appropriate information on industry trends and business environment to enable it to have sufficient insight when considering management's proposed plan/strategy.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

10. The Board evaluates the proposed plan/strategy including key assumptions, major risks, and required resources, and addresses critical issues.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

11. The Board constructively debates the proposed plan/strategy before granting approval.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

12. The Board monitors the continued viability of the plan/strategy ensuring that it is adjusted as needed to respond to the evolving environment.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

13. The Board thoroughly reviews major capital expenditures before approval and evaluates ultimate outcomes.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

4

14. Directors strengthen the tone at the top by clearly demonstrating the required ethical values.

() E () G () VS (/) S () NI

Comments:

15. The Board regularly reviews and approves the Company's vision, mission and value statements to ensure continued relevance and applicability thereof.

() E () G (/) VS () S () NI

Comments:

16. The Board demonstrates commitment to good corporate governance practices and provides oversight to ensure that the Company is operated in a moral, legal, and ethical manner.

() E () G (/) VS () S () NI

Comments:

17. The Board regularly and consistently considers the interest of minority shareholders to ensure their equitable treatment in the decision making process.

() E () G () VS (/) S () NI

Comments:

18. The Board ensures that the Company has a sound and effective internal control system in place, and understands management's role implementing such system.

() E () G (/) VS () S () NI

Comments:

19. There are sound policies, procedures and a system in place for related party transactions, which a dedicated Committee effectively implements.

() E () G () VS (/) S () NI

Comments:

20. There is a clear distinction in the roles and responsibilities between the Chairman and President.

() E () G () VS (/) S () NI

Comments:

PART II

COMMITTEE APPRAISAL

1. The Board has an effective committee structure.

() E () G () VS (/) S () NI

Comments:

2. The delegation of power from the Board to its Committees is appropriate with their relevant corresponding Charters.

() E () G () VS (/) S () NI

Comments:

3. The Committees regularly provide a report to the full Board and sufficiently update the Board on recent developments or such other matters that may require Board action.

() E () G (/) VS () S () NI

Comments:

4. The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.

() E () G (/) VS () S () NI

Comments:

PART III
INDIVIDUAL DIRECTOR APPRAISAL

1. I understand and faithfully uphold the vision, mission, values and strategies of the company.

( ) E (/) G ( ) VS ( ) S ( ) NI

Comments:

2. I keep myself updated on the latest best practices in corporate governance and ensure I abide by them.

( ) E (/) G ( ) VS ( ) S ( ) NI

Comments:

3. I avoid entering into situations where I may be placed in a conflict of interest with that of the Company and I promptly disclose any conflict, which may occur.

( ) E ( ) G (/) VS ( ) S ( ) NI

Comments:

4. I have a good record of Board and Committee (where applicable) meeting attendance.

( ) E (/) G ( ) VS ( ) S ( ) NI

Comments:

5. I come to Board/Committee meetings on time, prepared and knowledgeable about the topics to be discussed.

( ) E (/) G ( ) VS ( ) S ( ) NI

Comments:

6. I actively participate in Board/Committee discussions with a sense of independence and objectivity.

( ) E ( ) G ( ) VS (/) S ( ) NI

Comments:

7

7. I am aware of all policies and procedures the Board is subjected to and actively adopt these in my function as a member of the Board.

( ) E (/) G ( ) VS ( ) S ( ) NI

Comments:

8. I am committed to accomplish all duties and responsibilities of a director and member of my Committee/s, if any, and will perform in the best interest of the Company.

( ) E (/) G ( ) VS ( ) S ( ) NI

Comments:

A. I believe the Board should focus on the following priorities for the upcoming year:

1. industry updates
2. third party objective reports
3.

B. Are there changes that would improve the Board's effectiveness that you would suggest?

1.
2.
3.

PART IV
BOARD - MANAGEMENT RELATIONSHIP APPRAISAL

1. The Board is comfortable with management's (i.e., President, Chief Finance Officer) plans to implement the approved strategy, goals and targets and is confident and satisfied in m anagement's ability to carry out its responsibilities in the interest of the Company.

( ) E ( ) G (/) VS ( ) S ( ) NI

8

Comments:

2. Management has in place an effective process to identify risks and assess their potential impact.

() E () G () VS () S () NI

Comments:

3. Management informs the Board of all key risks and the Board is confident management addresses them appropriately.

() E () G () VS () S () NI

Comments:

4. The Board sufficiently challenges and supports management.

() E () G () VS () S () NI

Comments:

5. The Board is effective in monitoring management's implementation of the company's strategy.

() E () G () VS () S () NI

Comments:

6. The Board devotes sufficient time and effort to meeting key company executives.

() E () G () VS () S () NI

Comments:

7. There is an open-line of communication and constructive interaction between directors and management.

() E () G () VS () S () NI

Comments:

8. The Board continually monitors management's performance against clear and measurable objectives, providing constructive feedback and reinforces management's role in setting the tone at the top.

() E () G () VS () S () NI

Comments:

PART V
PRESIDENT APPRAISAL

1. The President supervises, directs, controls and manages the business operations, affairs and properties of the company in a sound and prudent manner.

() E () G () VS () S () NI

Comments:

2. The President consistently makes decisions that enable the company achieve its goals better.

() E () G () VS () S () NI

Comments:

3. The President commits to the fundamental principles of good corporate governance and supports the Board in its governance duties.

() E () G () VS () S () NI

Comments:

4. The President helps the Board establish the company's vision, mission, strategic objectives, policies and procedures, including mechanisms for effective monitoring of management's performance.

() E () G () VS () S () NI

Comments:

5. The President maintains an effective working relationship with the Chairman and members of the Board.

( ) E ( ) G (/) VS ( ) S ( ) NI

Comments:

6. The President provides the Board complete, adequate and timely information on plans, performance, issues, developments and opportunities which would enable it to make appropriate decisions or directions.

( ) E ( ) G (/) VS ( ) S ( ) NI

Comments:

7. The President ensures that all resolutions and directions of the Board are carried into effect.

( ) E ( ) G (/) VS ( ) S ( ) NI

Comments:

8. The President effectively monitors the key risks and performance indicators to enable the Company to anticipate and prepare for the possible threats to its operational and financial viability.

( ) E ( ) G (/) VS ( ) S ( ) NI

Comments:

9. The President regularly monitors the adequacy and effectiveness of the Company's financial reporting, governance, operations and information systems, including the reliability and integrity of the financial and operational information.

( ) E ( ) G (/) VS ( ) S ( ) NI

Comments:

A. List the President's major accomplishments for the year that you think deserves recognition:

1.

2.

3.

B. List the areas that you think you would like the President to improve or prioritize:

1.

2.

3.

BOARD OF DIRECTORS INTERNAL SELF-RATING FORM

METRO GLOBAL HOLDINGS CORP.

INSTRUCTIONS:

Please accomplish this form by checking (✓) the item that corresponds to your answer. Each item represents the following:

E : Excellent
G : Good
VS : Very Satisfactory
S : Satisfactory
NI : Needs Improvement

NAME : Francisco C.González

SIGNATURE :

DATE : 8 May 2023

PART 1
BOARD APPRAISAL

1. The Board has the right size and composition to bring the requisite knowledge, abilities, diversity and skills to the table.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

2. The Board, as a whole, possesses the right skills and background for the current issues facing the company.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

3. The Board has sufficient diversity and independence among its directors, allowing it to constructively challenge one another and management in carrying out their respective functions and duties aligned with the company's strategic directions.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

4. The Board receives ongoing education, allowing directors to stay up to date with developments and to understand their impact.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

5. The frequency, duration and scheduling of Board meetings per year were adequate to ensure proper coverage of the Board's responsibilities.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

6. Directors receive adequate materials before the Board meeting.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

7. Meetings are effective with sufficient materials, limited presentation, and an atmosphere that encourages open dialogue.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

8. The non-executive directors can have a separate meeting without any executive directors present to ensure that proper checks and balances are in place within the company.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

9. The Board receives appropriate information on industry trends and business environment to enable it to have sufficient insight when considering management's proposed plan/strategy.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

10. The Board evaluates the proposed plan/strategy including key assumptions, major risks, and required resources, and addresses critical issues.

( )E (✓)G ( )VS ( )S ( )NI

Comments:

11. The Board constructively debates the proposed plan/strategy before granting approval.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

12. The Board monitors the continued viability of the plan/strategy ensuring that it is adjusted as needed to respond to the evolving environment.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

13. The Board thoroughly reviews major capital expenditures before approval and evaluates ultimate outcomes.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

4

14. Directors strengthen the tone at the top by clearly demonstrating the required ethical values.

( )E (✓)G ( )VS ( )S ( )NI

Comments:

15. The Board regularly reviews and approves the Company's vision, mission and value statements to ensure continued relevance and applicability thereof.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

16. The Board demonstrates commitment to good corporate governance practices and provides oversight to ensure that the Company is operated in a moral, legal, and ethical manner.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

17. The Board regularly and consistently considers the interest of minority shareholders to ensure their equitable treatment in the decision making process.

( )E (✓)G ( )VS ( )S ( )NI

Comments:

18. The Board ensures that the Company has a sound and effective internal control system in place, and understands management's role implementing such system.

( )E (✓)G ( )VS ( )S ( )NI

Comments:

19. There are sound policies, procedures and a system in place for related party transactions, which a dedicated Committee effectively implements.

( )E (✓)G ( )VS ( )S ( )NI

5

Comments:

20. There is a clear distinction in the roles and responsibilities between the Chairman and President.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

PART II
COMMITTEE APPRAISAL

1. The Board has an effective committee structure.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

2. The delegation of power from the Board to its Committees is appropriate with their relevant corresponding Charters.

( ) E   (✓) G   ( ) VS   ( ) S   ( ) NI

Comments:

3. The Committees regularly provide a report to the full Board and sufficiently update the Board on recent developments or such other matters that may require Board action.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

4. The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

PART III
INDIVIDUAL DIRECTOR APPRAISAL

1. I understand and faithfully uphold the vision, mission, values and strategies of the company.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

2. I keep myself updated on the latest best practices in corporate governance and ensure I abide by them.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

3. I avoid entering into situations where I may be placed in a conflict of interest with that of the Company and I promptly disclose any conflict, which may occur.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

4. I have a good record of Board and Committee (where applicable) meeting attendance.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

5. I come to Board/Committee meetings on time, prepared and knowledgeable about the topics to be discussed.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

6. I actively participate in Board/Committee discussions with a sense of independence and objectivity.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

7. I am aware of all policies and procedures the Board is subjected to and actively adopt these in my function as a member of the Board.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

8. I am committed to accomplish all duties and responsibilities of a director and member of my Committee/s, if any, and will perform in the best interest of the Company.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

A. I believe the Board should focus on the following priorities for the upcoming year:

1.

2.

3.

B. Are there changes that would improve the Board's effectiveness that you would suggest?

1.

2.

3.

PART IV
BOARD - MANAGEMENT RELATIONSHIP APPRAISAL

1. The Board is comfortable with management's (i.e., President, Chief Finance Officer) plans to implement the approved strategy, goals and targets and is confident and satisfied in m anagement's ability to carry out its responsibilities in the interest of the Company.

( ) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

2. Management has in place an effective process to identify risks and assess their potential impact.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

3. Management informs the Board of all key risks and the Board is confident management addresses them appropriately.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

4. The Board sufficiently challenges and supports management.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

5. The Board is effective in monitoring management's implementation of the company's strategy.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

6. The Board devotes sufficient time and effort to meeting key company executives.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

7. There is an open-line of communication and constructive interaction between directors and management.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

8. The Board continually monitors management's performance against clear and measurable objectives, providing constructive feedback and reinforces management's role in setting the tone at the top.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

PART V
PRESIDENT APPRAISAL

1. The President supervises, directs, controls and manages the business operations, affairs and properties of the company in a sound and prudent manner.

( )E (✓)G ( )VS ( )S ( )NI

Comments:

2. The President consistently makes decisions that enable the company achieve its goals better.

( )E (✓)G ( )VS ( )S ( )NI

Comments:

3. The President commits to the fundamental principles of good corporate governance and supports the Board in its governance duties.

( )E (✓)G ( )VS ( )S ( )NI

Comments:

4. The President helps the Board establish the company's vision, mission, strategic objectives, policies and procedures, including mechanisms for effective monitoring of management's performance.

( )E (✓)G ( )VS ( )S ( )NI

Comments:

5. The President maintains an effective working relationship with the Chairman and members of the Board.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

6. The President provides the Board complete, adequate and timely information on plans, performance, issues, developments and opportunities which would enable it to make appropriate decisions or directions.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

7. The President ensures that all resolutions and directions of the Board are carried into effect.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

8. The President effectively monitors the key risks and performance indicators to enable the Company to anticipate and prepare for the possible threats to its operational and financial viability.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

9. The President regularly monitors the adequacy and effectiveness of the Company's financial reporting, governance, operations and information systems, including the reliability and integrity of the financial and operational information.

(✓)E ( )G ( )VS ( )S ( )NI

Comments: implement what we are doing.

A. List the President's major accomplishments for the year that you think deserves recognition:
1.
2.
3.

B. List the areas that you think you would like the President to improve or prioritize:
1.
2.
3.

12

BOARD OF DIRECTORS INTERNAL SELF-RATING FORM

METRO GLOBAL HOLDINGS CORP.

INSTRUCTIONS:

Please accomplish this form by checking (✓) the item that corresponds to your answer. Each item represents the following:

E	:	**Excellent**
G	:	**Good**
VS	:	**Very Satisfactory**
S	:	**Satisfactory**
NI	:	**Needs Improvement**

NAME : ROBERTO S. ROCO

SIGNATURE : [signature]

DATE : 5/15/2023

PART 1
BOARD APPRAISAL

1. The Board has the right size and composition to bring the requisite knowledge, abilities, diversity and skills to the table.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

2. The Board, as a whole, possesses the right skills and background for the current issues facing the company.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

2

3. The Board has sufficient diversity and independence among its directors, allowing it to constructively challenge one another and management in carrying out their respective functions and duties aligned with the company's strategic directions.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

4. The Board receives ongoing education, allowing directors to stay up to date with developments and to understand their impact.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

5. The frequency, duration and scheduling of Board meetings per year were adequate to ensure proper coverage of the Board's responsibilities.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

6. Directors receive adequate materials before the Board meeting.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

7. Meetings are effective with sufficient materials, limited presentation, and an atmosphere that encourages open dialogue.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

8. The non-executive directors can have a separate meeting without any executive directors present to ensure that proper checks and balances are in place within the company.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

9. The Board receives appropriate information on industry trends and business environment to enable it to have sufficient insight when considering management's proposed plan/strategy.

( ) E (✓) G ( ) VS ( ) S ( ) NI

Comments:

10. The Board evaluates the proposed plan/strategy including key assumptions, major risks, and required resources, and addresses critical issues.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

11. The Board constructively debates the proposed plan/strategy before granting approval.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

12. The Board monitors the continued viability of the plan/strategy ensuring that it is adjusted as needed to respond to the evolving environment.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

13. The Board thoroughly reviews major capital expenditures before approval and evaluates ultimate outcomes.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

14. Directors strengthen the tone at the top by clearly demonstrating the required ethical values.

() E () G () VS () S () NI

Comments:

15. The Board regularly reviews and approves the Company's vision, mission and value statements to ensure continued relevance and applicability thereof.

() E () G () VS () S () NI

Comments:

16. The Board demonstrates commitment to good corporate governance practices and provides oversight to ensure that the Company is operated in a moral, legal, and ethical manner.

() E () G () VS () S () NI

Comments:

17. The Board regularly and consistently considers the interest of minority shareholders to ensure their equitable treatment in the decision making process.

() E () G () VS () S () NI

Comments:

18. The Board ensures that the Company has a sound and effective internal control system in place, and understands management's role implementing such system.

() E () G () VS () S () NI

Comments:

19. There are sound policies, procedures and a system in place for related party transactions, which a dedicated Committee effectively implements.

() E () G () VS () S () NI

Comments:

20. There is a clear distinction in the roles and responsibilities between the Chairman and President.

() E () G () VS () S () NI

Comments:

PART II

COMMITTEE APPRAISAL

1. The Board has an effective committee structure.

() E () G () VS () S () NI

Comments:

2. The delegation of power from the Board to its Committees is appropriate with their relevant corresponding Charters.

() E () G () VS () S () NI

Comments:

3. The Committees regularly provide a report to the full Board and sufficiently update the Board on recent developments or such other matters that may require Board action.

() E () G () VS () S () NI

Comments:

4. The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.

() E () G () VS () S () NI

Comments:

PART III
INDIVIDUAL DIRECTOR APPRAISAL

1. I understand and faithfully uphold the vision, mission, values and strategies of the company.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

2. I keep myself updated on the latest best practices in corporate governance and ensure I abide by them.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

3. I avoid entering into situations where I may be placed in a conflict of interest with that of the Company and I promptly disclose any conflict, which may occur.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

4. I have a good record of Board and Committee (where applicable) meeting attendance.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

5. I come to Board/Committee meetings on time, prepared and knowledgeable about the topics to be discussed.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

6. I actively participate in Board/Committee discussions with a sense of independence and objectivity.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

7. I am aware of all policies and procedures the Board is subjected to and actively adopt these in myfunction as a member of the Board.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

8. I am committed to accomplish all duties and responsibilities of a director and member of my Committee/s, if any, and will perform in the best interest of the Company.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

A. I believe the Board should focus on the following priorities for the upcoming year:

1. Overcoming all hurdles and getting its first solar project on the way.
2. Pursuing an expansion of the MKT 3 Project
3. Expanding the advertising business of MKTDC
Obtaining the much needed funds to get these projects going

B. Are there changes that would improve the Board's effectiveness that you would suggest?

1.
2.
3.

PART IV
BOARD - MANAGEMENT RELATIONSHIP APPRAISAL

1. The Board is comfortable with management's (i.e., President, Chief Finance Officer) plans to implement the approved strategy, goals and targets and is confident and satisfied in m anagement's ability to carry out its responsibilities in the interest of the Company.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

2. Management has in place an effective process to identify risks and assess their potential impact.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

3. Management informs the Board of all key risks and the Board is confident management addresses them appropriately.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

4. The Board sufficiently challenges and supports management.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

5. The Board is effective in monitoring management's implementation of the company's strategy.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

6. The Board devotes sufficient time and effort to meeting key company executives.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

7. There is an open-line of communication and constructive interaction between directors and management.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

8. The Board continually monitors management's performance against clear and measurable objectives, providing constructive feedback and reinforces management's role in setting the tone at the top.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

PART V
PRESIDENT APPRAISAL

1. The President supervises, directs, controls and manages the business operations, affairs and properties of the company in a sound and prudent manner.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

2. The President consistently makes decisions that enable the company achieve its goals better.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

3. The President commits to the fundamental principles of good corporate governance and supports the Board in its governance duties.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

4. The President helps the Board establish the company's vision, mission, strategic objectives, policies and procedures, including mechanisms for effective monitoring of management's performance.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

5. The President maintains an effective working relationship with the Chairman and members of the Board.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

6. The President provides the Board complete, adequate and timely information on plans, performance, issues, developments and opportunities which would enable it to make appropriate decisions or directions.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

7. The President ensures that all resolutions and directions of the Board are carried into effect.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

8. The President effectively monitors the key risks and performance indicators to enable the Company to anticipate and prepare for the possible threats to its operational and financial viability.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

9. The President regularly monitors the adequacy and effectiveness of the Company's financial reporting, governance, operations and information systems, including the reliability and integrity of the financial and operational information.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

A. List the President's major accomplishments for the year that you think deserves recognition:

1. Securing the land easement for the solar Project
2.
3.

B. List the areas that you think you would like the President to improve or prioritize:

1. Expansion of the solar plant capacity
2.
3.

BOARD OF DIRECTORS INTERNAL SELF-RATING FORM

METRO GLOBAL HOLDINGS CORP.

INSTRUCTIONS:

Please accomplish this form by checking (✓) the item that corresponds to your answer. Each item represents the following:

E	:	**Excellent**
G	:	**Good**
VS	:	**Very Satisfactory**
S	:	**Satisfactory**
NI	:	**Needs Improvement**

NAME : JOSE WILFRIDO SUAREZ

SIGNATURE :

DATE : 8 MAY 2023

PART 1
BOARD APPRAISAL

1. The Board has the right size and composition to bring the requisite knowledge, abilities, diversity and skills to the table.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

2. The Board, as a whole, possesses the right skills and background for the current issues facing the company.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

3. The Board has sufficient diversity and independence among its directors, allowing it to constructively challenge one another and management in carrying out their respective functions and duties aligned with the company's strategic directions.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

4. The Board receives ongoing education, allowing directors to stay up to date with developments and to understand their impact.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

5. The frequency, duration and scheduling of Board meetings per year were adequate to ensure proper coverage of the Board's responsibilities.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

6. Directors receive adequate materials before the Board meeting.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

7. Meetings are effective with sufficient materials, limited presentation, and an atmosphere that encourages open dialogue.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

8. The non-executive directors can have a separate meeting without any executive directors present to ensure that proper checks and balances are in place within the company.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

9. The Board receives appropriate information on industry trends and business environment to enable it to have sufficient insight when considering management's proposed plan/strategy.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

10. The Board evaluates the proposed plan/strategy including key assumptions, major risks, and required resources, and addresses critical issues.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

11. The Board constructively debates the proposed plan/strategy before granting approval.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

12. The Board monitors the continued viability of the plan/strategy ensuring that it is adjusted as needed to respond to the evolving environment.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

13. The Board thoroughly reviews major capital expenditures before approval and evaluates ultimate outcomes.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

14. Directors strengthen the tone at the top by clearly demonstrating the required ethical values.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

15. The Board regularly reviews and approves the Company's vision, mission and value statements to ensure continued relevance and applicability thereof.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

16. The Board demonstrates commitment to good corporate governance practices and provides oversight to ensure that the Company is operated in a moral, legal, and ethical manner.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

17. The Board regularly and consistently considers the interest of minority shareholders to ensure their equitable treatment in the decision making process.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

18. The Board ensures that the Company has a sound and effective internal control system in place, and understands management's role implementing such system.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

19. There are sound policies, procedures and a system in place for related party transactions, which a dedicated Committee effectively implements.

(✓)E ( )G ( )VS ( )S ( )NI

Comments:

20. There is a clear distinction in the roles and responsibilities between the Chairman and President.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

PART II
COMMITTEE APPRAISAL

1. The Board has an effective committee structure.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

2. The delegation of power from the Board to its Committees is appropriate with their relevant corresponding Charters.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

3. The Committees regularly provide a report to the full Board and sufficiently update the Board on recent developments or such other matters that may require Board action.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

4. The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

PART III
INDIVIDUAL DIRECTOR APPRAISAL

1. I understand and faithfully uphold the vision, mission, values and strategies of the company.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

2. I keep myself updated on the latest best practices in corporate governance and ensure I abide by them.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

3. I avoid entering into situations where I may be placed in a conflict of interest with that of the Company and I promptly disclose any conflict, which may occur.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

4. I have a good record of Board and Committee (where applicable) meeting attendance.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

5. I come to Board/Committee meetings on time, prepared and knowledgeable about the topics to be discussed.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

6. I actively participate in Board/Committee discussions with a sense of independence and objectivity.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

7. I am aware of all policies and procedures the Board is subjected to and actively adopt these in my function as a member of the Board.

(✓) E () G () VS () S () NI

Comments:

8. I am committed to accomplish all duties and responsibilities of a director and member of my Committee/s, if any, and will perform in the best interest of the Company.

(✓) E () G () VS () S () NI

Comments:

A. I believe the Board should focus on the following priorities for the upcoming year:

1. IMPLEMENTING THE PROJECTS ON THEIR TIMELINES
2.
3.

B. Are there changes that would improve the Board's effectiveness that you would suggest?

1. NA
2.
3.

PART IV
BOARD - MANAGEMENT RELATIONSHIP APPRAISAL

1. The Board is comfortable with management's (i.e., President, Chief Finance Officer) plans to implement the approved strategy, goals and targets and is confident and satisfied in management's ability to carry out its responsibilities in the interest of the Company.

(✓) E () G () VS () S () NI

Comments:

2. Management has in place an effective process to identify risks and assess their potential impact.

(✓) E () G () VS () S () NI

Comments:

3. Management informs the Board of all key risks and the Board is confident management addresses them appropriately.

(✓) E () G () VS () S () NI

Comments:

4. The Board sufficiently challenges and supports management.

(✓) E () G () VS () S () NI

Comments:

5. The Board is effective in monitoring management's implementation of the company's strategy.

(✓) E () G () VS () S () NI

Comments:

6. The Board devotes sufficient time and effort to meeting key company executives.

(✓) E () G () VS () S () NI

Comments:

7. There is an open-line of communication and constructive interaction between directors and management.

(✓) E () G () VS () S () NI

Comments:

8. The Board continually monitors management's performance against clear and measurable objectives, providing constructive feedback and reinforces management's role in setting the tone at the top.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

PART V
PRESIDENT APPRAISAL

1. The President supervises, directs, controls and manages the business operations, affairs and properties of the company in a sound and prudent manner.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

2. The President consistently makes decisions that enable the company achieve its goals better.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

3. The President commits to the fundamental principles of good corporate governance and supports the Board in its governance duties.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

4. The President helps the Board establish the company's vision, mission, strategic objectives, policies and procedures, including mechanisms for effective monitoring of management's performance.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

5. The President maintains an effective working relationship with the Chairman and members of the Board.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

6. The President provides the Board complete, adequate and timely information on plans, performance, issues, developments and opportunities which would enable it to make appropriate decisions or directions.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

7. The President ensures that all resolutions and directions of the Board are carried into effect.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

8. The President effectively monitors the key risks and performance indicators to enable the Company to anticipate and prepare for the possible threats to its operational and financial viability.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

9. The President regularly monitors the adequacy and effectiveness of the Company's financial reporting, governance, operations and information systems, including the reliability and integrity of the financial and operational information.

(✓) E ( ) G ( ) VS ( ) S ( ) NI

Comments:

A. List the President's major accomplishments for the year that you think deserves recognition:

1. WASTE TO ENERGY
2. SOLAR POWER
3. MASS TRANSPORT

B. List the areas that you think you would like the President to improve or prioritize:

1. NA
2.
3.

12

BOARD OF DIRECTORS INTERNAL SELF-RATING FORM

METRO GLOBAL HOLDINGS CORP.

INSTRUCTIONS:

Please accomplish this form by checking (✓) the item that corresponds to your answer. Each item represents the following:

E	:	**Excellent**
G	:	**Good**
VS	:	**Very Satisfactory**
S	:	**Satisfactory**
NI	:	**Needs Improvement**

NAME : JAIME CACHO

SIGNATURE :

DATE : 15 May 2023

PART 1

BOARD APPRAISAL

1. The Board has the right size and composition to bring the requisite knowledge, abilities, diversity and skills to the table.

( ) E ( ) G (✓) VS ( ) S ( ) NI

Comments:

2. The Board, as a whole, possesses the right skills and background for the current issues facing the company.

( ) E ( ) G (✓) VS ( ) S ( ) NI

Comments:

2

3. The Board has sufficient diversity and independence among its directors, allowing it to constructively challenge one another and management in carrying out their respective functions and duties aligned with the company's strategic directions.

( ) E ✓ G ( ) VS ( ) S ( ) NI

Comments:

4. The Board receives ongoing education, allowing directors to stay up to date with developments and to understand their impact.

( ) E ✓ G ( ) VS ( ) S ( ) NI

Comments:

5. The frequency, duration and scheduling of Board meetings per year were adequate to ensure proper coverage of the Board's responsibilities.

( ) E ✓ G ( ) VS ( ) S ( ) NI

Comments:

6. Directors receive adequate materials before the Board meeting.

( ) E ( ) G ( ) VS ✓ S ( ) NI

Comments:

7. Meetings are effective with sufficient materials, limited presentation, and an atmosphere that encourages open dialogue.

( ) E ( ) G ( ) VS ✓ S ( ) NI

Comments:

8. The non-executive directors can have a separate meeting without any executive directors present to ensure that proper checks and balances are in place within the company.

( ) E ( ) G ✓ VS ( ) S ( ) NI

3

Comments:

9. The Board receives appropriate information on industry trends and business environment to enable it to have sufficient insight when considering management's proposed plan/strategy.

( ) E ( ) G ✓ VS ( ) S ( ) NI

Comments:

10. The Board evaluates the proposed plan/strategy including key assumptions, major risks, and required resources, and addresses critical issues.

( ) E ( ) G ✓ VS ( ) S ( ) NI

Comments:

11. The Board constructively debates the proposed plan/strategy before granting approval.

( ) E ( ) G ( ) VS ✓ S ( ) NI

Comments:

12. The Board monitors the continued viability of the plan/strategy ensuring that it is adjusted as needed to respond to the evolving environment.

( ) E ( ) G ( ) VS ✓ S ( ) NI

Comments:

13. The Board thoroughly reviews major capital expenditures before approval and evaluates ultimate outcomes.

( ) E ( ) G ( ) VS ( ) S ✓ NI

Comments:

4

14. Directors strengthen the tone at the top by clearly demonstrating the required ethical values.

() E () G () VS () S () NI

Comments:

15. The Board regularly reviews and approves the Company's vision, mission and value statements to ensure continued relevance and applicability thereof.

() E () G () VS () S () NI

Comments:

16. The Board demonstrates commitment to good corporate governance practices and provides oversight to ensure that the Company is operated in a moral, legal, and ethical manner.

() E () G () VS () S () NI

Comments:

17. The Board regularly and consistently considers the interest of minority shareholders to ensure their equitable treatment in the decision making process.

() E () G () VS () S () NI

Comments:

18. The Board ensures that the Company has a sound and effective internal control system in place, and understands management's role implementing such system.

() E () G () VS () S () NI

Comments:

19. There are sound policies, procedures and a system in place for related party transactions, which a dedicated Committee effectively implements.

() E () G () VS () S () NI

5

Comments:

20. There is a clear distinction in the roles and responsibilities between the Chairman and President.

() E () G () VS () S () NI

Comments:

PART II

COMMITTEE APPRAISAL

1. The Board has an effective committee structure.

() E () G () VS () S () NI

Comments:

2. The delegation of power from the Board to its Committees is appropriate with their relevant corresponding Charters.

() E () G () VS () S () NI

Comments:

3. The Committees regularly provide a report to the full Board and sufficiently update the Board on recent developments or such other matters that may require Board action.

() E () G () VS () S () NI

Comments:

4. The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.

() E () G () VS () S () NI

Comments:

6

PART III
INDIVIDUAL DIRECTOR APPRAISAL

1. I understand and faithfully uphold the vision, mission, values and strategies of the company.

( ) E   (✓) G   ( ) VS   ( ) S   ( ) NI

Comments:

2. I keep myself updated on the latest best practices in corporate governance and ensure I abide by them.

( ) E   (✓) G   ( ) VS   ( ) S   ( ) NI

Comments:

3. I avoid entering into situations where I may be placed in a conflict of interest with that of the Company and I promptly disclose any conflict, which may occur.

( ) E   (✓) G   ( ) VS   ( ) S   ( ) NI

Comments:

4. I have a good record of Board and Committee (where applicable) meeting attendance.

( ) E   (✓) G   ( ) VS   ( ) S   ( ) NI

Comments:

5. I come to Board/Committee meetings on time, prepared and knowledgeable about the topics to be discussed.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

6. I actively participate in Board/Committee discussions with a sense of independence and objectivity.

(✓) E   ( ) G   ( ) VS   ( ) S   ( ) NI

Comments:

7

7. I am aware of all policies and procedures the Board is subjected to and actively adopt these in my function as a member of the Board.

( ) E   ( ) G   (✓) VS   ( ) S   ( ) NI

Comments:

8. I am committed to accomplish all duties and responsibilities of a director and member of my Committee/s, if any, and will perform in the best interest of the Company.

( ) E   (✓) G   ( ) VS   ( ) S   ( ) NI

Comments:

A. I believe the Board should focus on the following priorities for the upcoming year:

1. MORE TRANSPARENCY NEEDED
2. COMPENSATION HAS TO BE FAIR
3. NEED TO IMPLEMENT PLANS IN THE NEAR FUTURE

B. Are there changes that would improve the Board's effectiveness that you would suggest?

1. AGAIN MORE TRANSPARENCY
2. PUT PLANS INTO ACTION
3. OTHER DIRECTORS TO GET MORE INVOLVED

PART IV
BOARD - MANAGEMENT RELATIONSHIP APPRAISAL

1. The Board is comfortable with management's (i.e., President, Chief Finance Officer) plans to implement the approved strategy, goals and targets and is confident and satisfied in m anagement's ability to carry out its responsibilities in the interest of the Company.

( ) E   ( ) G   (✓) VS   ( ) S   ( ) NI

8

Comments:

2. Management has in place an effective process to identify risks and assess their potential impact.

( ) E (✓)G ( ) VS ( ) S ( ) NI

Comments:

3. Management informs the Board of all key risks and the Board is confident management addresses them appropriately.

( ) E (✓)G ( ) VS ( ) S ( ) NI

Comments:

4. The Board sufficiently challenges and supports management.

( ) E ( ) G ( ) VS (✓)S ( ) NI

Comments:

5. The Board is effective in monitoring management's implementation of the company's strategy.

( ) E ( ) G ( ) VS (✓)S ( ) NI

Comments:

6. The Board devotes sufficient time and effort to meeting key company executives.

( ) E ( ) G ( ) VS (✓)S ( ) NI

Comments:

7. There is an open-line of communication and constructive interaction between directors and management.

( ) E ( ) G (✓)VS ( ) S ( ) NI

Comments:

8. The Board continually monitors management's performance against clear and measurable objectives, providing constructive feedback and reinforces management's role in setting the tone at the top.

( ) E (✓)G ( ) VS ( ) S ( ) NI

Comments:

PART V
PRESIDENT APPRAISAL

1. The President supervises, directs, controls and manages the business operations, affairs and properties of the company in a sound and prudent manner.

( ) E (✓)G ( ) VS ( ) S ( ) NI

Comments:

2. The President consistently makes decisions that enable the company achieve its goals better.

( ) E (✓)G ( ) VS ( ) S ( ) NI

Comments:

3. The President commits to the fundamental principles of good corporate governance and supports the Board in its governance duties.

( ) E (✓)G ( ) VS ( ) S ( ) NI

Comments:

4. The President helps the Board establish the company's vision, mission, strategic objectives, policies and procedures, including mechanisms for effective monitoring of management's performance.

( ) E ( ) G (✓)VS ( ) S ( ) NI

Comments:

5. The President maintains an effective working relationship with the Chairman and members of the Board.

() E ()G (✓)VS () S () NI

Comments:

6. The President provides the Board complete, adequate and timely information on plans, performance, issues, developments and opportunities which would enable it to make appropriate decisions or directions.

() E () G () VS (✓)S () NI

Comments:

7. The President ensures that all resolutions and directions of the Board are carried into effect.

() E () G (✓)VS () S () NI

Comments:

8. The President effectively monitors the key risks and performance indicators to enable the Company to anticipate and prepare for the possible threats to its operational and financial viability.

() E () G (✓)VS () S () NI

Comments:

9. The President regularly monitors the adequacy and effectiveness of the Company's financial reporting, governance, operations and information systems, including the reliability and integrity of the financial and operational information.

() E () G () VS (✓)S () NI

11

Comments:

A. List the President's major accomplishments for the year that you think deserves recognition:

1. RE-ENGINEERING COMPANY TO RENEWABLE ENERGIES/ IN THE NEAR FUTURE
2. VOCALIZING RISKS INVOLVED
3.

B. List the areas that you think you would like the President to improve or prioritize:

1. ASSERT HIMSELF IN COMPANY DIRECTION
2. –
3. –

12

Back to recommendation **Annex “7”**

In order to attract and retain talents at all levels of the organization, it is the policy of the Company's parent company, whose officers and some employees are seconded to the Company, to maintain wage and salary standards and keep the pay or salary ranges consistent with the economic constraint and labor market in which we compete.

- Establish salary ranges that reflect the value of the various jobs, as determined by a system of continuing job evaluations and review.
- Establish and maintain justifiable differentials between job levels;
- Encourage superior performance by adjusting salary of each employee on the basis of the quality of individual performance, as maybe determined by performance evaluation;

Basis for Determination of Salary and Salary Changes

- Inflation rate, consumer price index (local), salary increases granted by comparable industries/employers within the established labor market
- Compensation survey (every 2-3 years) of benchmark positions
- To determine if any job classifications should be reviewed for equity adjustment in salary/compensation.

Internal Alignment

A minimum and maximum salary is established for each position/job classification based upon external market data and upon the internal alignment of job classifications.

Review of Performance and Salary

- Performance of each employee is reviewed regularly.
- The merit of employee performance shall determine salary increase to be given.
- Employees are eligible to receive salary increase based on the ff: o
    - Compensation adjustment - when EXCOM determines that classifications and/or salary ranges should be adjusted.
    - Promotion
    - Reclassification
        - Upward - not automatic unless it is to bring the employee up to the minimum of the new salary range
        - Lateral - salary will remain unchanged
        - Downward - salary will remain unchanged until such time as general salary range adjustments

increase the salary for the new classification

Back to recommendation **Annex "8"**

Risk Policy

Risk Exposure	Risk Management Policy	Objective
Financial exposure risk	The Company discourages the use of 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 each asset and liability management.	To avoid foreign currency risks and exchange losses.
Liquidity risk	The Company coordinates and negotiates closely with its parent company, Fil-Estate Management, Inc. to manage cash flow risks by jointly identifying new sources of cash flows through potential future investment and/or cash flow infusions into the Company over the next five years.	To manage cash flow risks
Credit risk	The Company's cash is deposited with a reputable bank that belonged to the top three banks in the Philippines and is approved by management.	To maintain a high grade of credit quality of the Company's financial assets
Equity price risk	Movement in share price of the Company is monitored regularly.	To determine the impact of the Company's share price on its financial position
Capital Management	The company's policy is to keep a gearing ratio of 60% or lower which is net debt divided by total capital.	To maintain a substantial capital base sufficient to support its long-term investment and holding company mandate.

[Back to recommendation](#) **Annex "9"**

METRO GLOBAL HOLDINGS CORP.

Audit Committee Meeting
May 6, 2022 (1st Meeting)

Time: 10:45 am at the MRT Boardroom via Zoom meeting
Agenda:

A. Review and Approval of the previous Audit Committee Meeting (November 11, 2021)
B. Review of MGHC Audited FS for 2021 and Notes to FS for AUDITCOM recommendation prior to Board's approval
C. Other Matters

Attendance Sheet

Name	Signature
Francisco C. Gonzalez	via zoom
Rafael M. Alunan III	via zoom
Roberto S. Roco	
Solita S. Alcantara	
Ramon G. Jimenez	
Dennis M. Malco	
Bernadette Ann A. Siao	

METRO GLOBAL HOLDINGS CORP.

Joint Risk and Audit Committee Meeting
May 20, 2022

Time: 11 am at the MRT Boardroom via Zoom meeting
Agenda:

A. Review and Approval of the previous Audit Committee Meeting (May 6, 2022)
B. Review and Approval of 1st Quarter MGH FS ending March 31, 2022

Attendance Sheet

Name	Signature
Francisco C. Gonzalez	
Rafael M. Alunan III	via zoom
Roberto S. Roco	
Solita S. Alcantara	
Ramon G. Jimenez	

Audit Committee Minutes of Meeting – August 4, 2022

Metro Global Holdings Corp.
Venue: 2nd floor, Renaissance Tower F, Meralco Avenue, Pasig City

Minutes of the Meeting
Time: August 4, 2022, 3:00 -3:35pm

Present:	FCG, RSR	- Directors
	RGJ, SSA	- MGHC
	CGChavez, MCSNacario	
Not Present:	RMAlunan, III	

AGENDA: Approval of MGHC Audited Financial Statement for the Second Quarter 2022 Ending June 30, 2022

Audit Committee Minutes of Meeting – October 11, 2022

Metro Global Holdings Corp.
Minutes of the Meeting
Venue: Mezzanine, Renaissance Tower F, Meralco Avenue, Pasig City

Time: October 11, 2022, 11:00 am -12;00 nn

Present:	FCG, RSR	- Directors
	RGJ, SSA	- MGHC
	CGChavez	
Not Present:	RMAlunan, III	

AGENDA: Approval of MGHC Audited Financial Statement for the Third Quarter 2022 Ending September 30, 2022

Directorship in Other Companies

(i) Directorship in the Company's Group

[Back to recommendation](#) **Annex "10"**

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Robert John L. Sobrepeña	Fil-Estate Management, Inc., Metro Rail Transit Corporation, MRT Development Corporation, Monumento Rail Transit Corporation, CJH Development Corporation, CJH Hotel Corporation, Southwoods Ecocentrum Corporation, Club Leisure Management, Inc.	Chairman, ED
Atty. Ferdinand T. Santos	Fil-Estate Management, Inc., Global Estate Resort, Inc., MRT Development Corporation, Monumento Rail Transit Corporation, CJH Development Corporation, CJH Hotel Corporation	ED
Noel M. Cariño	Fil-Estate Management, Inc., Fil-Estate Development, Inc., CJH Development Corporation, Fil-Estate Realty Corporation, CJH Hotel Corporation, CJH Suites Corporation	NED,ED
Jaime M. Cacho	Camp John Hay Development Corporation. Metro Solar Power Solutions Inc, Metro Global renewable Corp, Metro Countrywide Corp.	NED,ED
Rafael Perez de Tagle, Jr.	MRT Development Corporation, CJH Development Corporation, CJH Hotel Corporation	ED
Atty. Alice Odchigue-Bondoc	CJH Development Corporation	ED

Roberto S. Roco	Fil-Estate Realty Corp.	NED

(ii) Directorship in Other Listed Companies

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Atty. Ferdinand T. Santos	Global-Estate Resorts, Inc.	Non-Executive

Board of Directors Self-Assessment

Back to recommendation

Annex "11"

METRO GLOBAL HOLDINGS CORP

SELF-ASSESSMENT QUESTIONNAIRE
(INDIVIDUAL DIRECTOR)

Name of Assessor:	
Date Completed:	
Period Covered:	2022

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board members found under the Company's Manual on Corporate Governance. Please evaluate how well you have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Excellent
4	Above Average
3	Average
2	Below Average
1	Poor

INDIVIDUAL BOARD DIRECTOR'S SELF-ASSESSMENT

	Good Corporate Governance Practices and Principles	Rating (1-5)	Remarks
	Company Policies		
1	I take time to understand Metro Global Holdings Corp, its goals and strategies, its businesses, its governance and other key policies, purpose statement, and its brand.	5	
2	I understand and adhere to the mission, vision, and values of the Company.	4	
3	I conduct myself in a manner characterized by transparency, accountability, integrity, and fairness, being fully aware that the office of a director is one of trust and confidence.	5	
4	In the performance of my duties and responsibilities as a director, I consider the long-term success of the Company, its sustained competitiveness and profitability, its best interest and that of its shareholders and stakeholders.	4	
5	Guided by the principles of its Code of Ethics and Business Conduct, I represent Metro Global Holdings Corp. positively and constructively in all external dealings, seeking to enhance Metro Global Holdings Corp. name and reputation.	5	
	Attendance and Participation		
6	I regularly attend and actively participate in all meetings of the Board, Committees, and shareholders, except when prevented by justifiable cause.	5	
7	I review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations in Board and Committee meetings.	4	
8	I willingly offer alternative viewpoints during discussions to reflect my own personal experiences and opinions.	4	
9	I fully support decisions made by the Board in the external arena, even if that decision did not completely reflect my own viewpoints.	5	
	Performance		
10	I seek to find ways to continuously improve the efficiency and effectiveness of the Board or any Committee that I am a member of, taking any relevant suggestions to the Board Chairman or Committee Chairman, as the case maybe, for his consideration.	4	
11	I always exercise independent judgment.	5	
12	I keep myself informed of best corporate governance practices, industry developments, and business trends affecting the businesses of the Company.	4	
13	My board memberships in other companies, if any, do not interfere with my commitment to effectively carry out my duties and responsibilities as a director of the Company.	5	

For the succeeding questions, please answer those which are applicable to you.

A.	***For Executive Directors only***		
14	I maintain a primary identity as a Board member when dealing with Board matters, at the same time bringing to the Board the benefit of closer knowledge of operational considerations.	5	
B.	***For Independent and Non-Executive Directors only***		
15	I bring fully to the Board the benefit of a particular experience or expertise, at the same time not feeling constrained to contribute on matters that may be outside my personal experience and expertise.		
16	I bring fully to the Board an objective and independent position, not afraid to take an unpopular position corollary to what I think is beneficial to the Company.		
17	I have access to accurate, timely, and relevant information necessary for me to contribute to the discussions during the meetings.		

C.	For Board Committee Chairman only		
18	I oversee the conduct of the Board Committee in line with the Committee mandate and working procedures.		
19	I manage the agenda of Committee meetings by taking into consideration the relevant and appropriate issues concerning the Committee and its mandate.		
20	I effectively chair Committee meetings, ensuring proper consideration of matters for discussion and recommendation to the full Board.		
21	I ensure that each member of the Committee has full opportunity to express views and contribute effectively to discussion.		
22	I ensure that appropriate record of Committee deliberations and conclusions are maintained.		
23	I lead and facilitate the Committee in reporting considerations and recommendations on any matter, including both majority conclusions and recommendations and minority conclusions and recommendations, to the Chairman of the Board, or to the Board as a body.		
D.	For Board Committee members only		
24	I am familiar with specific areas of concern covered by the Committee that I am a member of, and do not seek to divert into other areas not specifically envisioned by the committee mandate.		
25	I believe that, relative to the size the businesses of the Company, the Board has an effective committee structure that complements the full Board in performing its functions.		
26	I have access to timely, accurate, sufficient, and relevant information about the subject matter being discussed at the committee meetings I attend.		
27	I constructively engage and consult with the Company CEO and other senior leaders for the purpose of the Committee being better informed, or better positioned to offer the Board more reliable recommendation.		
28	I maintain external confidentiality of the details of Committee discussions, including the individual views of members, except as otherwise agreed for formal communication to the Board and/or Senior Management by the Committee as a whole.		
29	The frequency of the committee meetings is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.		

What do you think was your best contribution to the Board this year?

What are you suggestions to improve the performance of the Board?

Remarks:

2
FG

METRO GLOBAL HOLDINGS CORP.

SELF-ASSESSMENT QUESTIONNAIRE
(INDIVIDUAL DIRECTOR)

Name of Assessor:	Francisco C.González
Date Completed:	8 May 2023
Period Covered:	2022

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board members found under the Company's Manual on Corporate Governance. Please evaluate how well you have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Excellent
4	Above Average
3	Average
2	Below Average
1	Poor

INDIVIDUAL BOARD DIRECTOR'S SELF-ASSESSMENT

	Good Corporate Governance Practices and Principles	Rating (1-5)	Remarks
Company Policies			
1	I take time to understand Metro Global Holdings Corp, its goals and strategies, its businesses, its governance and other key policies, purpose statement, and its brand.	5	
2	I understand and adhere to the mission, vision, and values of the Company.	5	
3	I conduct myself in a manner characterized by transparency, accountability, integrity, and fairness, being fully aware that the office of a director is one of trust and confidence.	5	
4	In the performance of my duties and responsibilities as a director, I consider the long-term success of the Company, its sustained competitiveness and profitability, its best interest and that of its shareholders and stakeholders.	5	
5	Guided by the principles of its Code of Ethics and Business Conduct, I represent Metro Global Holdings Corp. positively and constructively in all external dealings, seeking to enhance Metro Global Holdings Corp. name and reputation.	5	
Attendance and Participation			
6	I regularly attend and actively participate in all meetings of the Board, Committees, and shareholders, except when prevented by justifiable cause.	5	
7	I review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations in Board and Committee meetings.	5	
8	I willingly offer alternative viewpoints during discussions to reflect my own personal experiences and opinions.	5	
9	I fully support decisions made by the Board in the external arena, even if that decision did not completely reflect my own viewpoints.	5	
Performance			
10	I seek to find ways to continuously improve the efficiency and effectiveness of the Board or any Committee that I am a member of, taking any relevant suggestions to the Board Chairman or Committee Chairman, as the case maybe, for his consideration.	5	
11	I always exercise independent judgment.	5	
12	I keep myself informed of best corporate governance practices, industry developments, and business trends affecting the businesses of the Company.	5	
13	My board memberships in other companies, if any, do not interfere with my commitment to effectively carry out my duties and responsibilities as a director of the Company.	5	

For the succeeding questions, please answer those which are applicable to you.

A.	***For Executive Directors only***		
14	I maintain a primary identity as a Board member when dealing with Board matters, at the same time bringing to the Board the benefit of closer knowledge of operational considerations.	5	
B.	***For Independent and Non-Executive Directors only***		
15	I bring fully to the Board the benefit of a particular experience or expertise, at the same time not feeling constrained to contribute on matters that may be outside my personal experience and expertise.	5	
16	I bring fully to the Board an objective and independent position, not afraid to take an unpopular position corollary to what I think is beneficial to the Company.	5	
17	I have access to accurate, timely, and relevant information necessary for me to contribute to the discussions during the meetings.	5	

Board Assessment Form for Individual Directors
Page 2 of 3

C.	**For Board Committee Chairman only**		
18	I oversee the conduct of the Board Committee in line with the Committee mandate and working procedures.	5	
19	I manage the agenda of Committee meetings by taking into consideration the relevant and appropriate issues concerning the Committee and its mandate.	5	
20	I effectively chair Committee meetings, ensuring proper consideration of matters for discussion and recommendation to the full Board.	5	
21	I ensure that each member of the Committee has full opportunity to express views and contribute effectively to discussion.	5	
22	I ensure that appropriate record of Committee deliberations and conclusions are maintained.	5	
23	I lead and facilitate the Committee in reporting considerations and recommendations on any matter, including both majority conclusions and recommendations and minority conclusions and recommendations, to the Chairman of the Board, or to the Board as a body.	5	
D.	**For Board Committee members only**		
24	I am familiar with specific areas of concern covered by the Committee that I am a member of, and do not seek to divert into other areas not specifically envisioned by the committee mandate.	5	
25	I believe that, relative to the size the businesses of the Company, the Board has an effective committee structure that complements the full Board in performing its functions.	5	
26	I have access to timely, accurate, sufficient, and relevant information about the subject matter being discussed at the committee meetings I attend.	5	
27	I constructively engage and consult with the Company CEO and other senior leaders for the purpose of the Committee being better informed, or better positioned to offer the Board more reliable recommendation.	5	
28	I maintain external confidentiality of the details of Committee discussions, including the individual views of members, except as otherwise agreed for formal communication to the Board and/or Senior Management by the Committee as a whole.	5	
29	The frequency of the committee meetings is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	5	

What do you think was your best contribution to the Board this year?

What are you suggestions to improve the performance of the Board?

Remarks:

Board Assessment Form for Individual Directors
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2
RSR

METRO GLOBAL HOLDINGS CORP.

SELF-ASSESSMENT QUESTIONNAIRE
(INDIVIDUAL DIRECTOR)

Name of Assessor:	ROBERTO S. ROCO
Date Completed:	May 15, 2023
Period Covered:	2022

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board members found under the Company's Manual on Corporate Governance. Please evaluate how well you have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Excellent
4	Above Average
3	Average
2	Below Average
1	Poor

Board Assessment Form for Individual Directors
Page 1 of 3

INDIVIDUAL BOARD DIRECTOR'S SELF-ASSESSMENT

	Good Corporate Governance Practices and Principles	Rating (1-5)	Remarks
Company Policies			
1	I take time to understand Metro Global Holdings Corp, its goals and strategies, its businesses, its governance and other key policies, purpose statement, and its brand.	5	
2	I understand and adhere to the mission, vision, and values of the Company.	5	
3	I conduct myself in a manner characterized by transparency, accountability, integrity, and fairness, being fully aware that the office of a director is one of trust and confidence.	5	
4	In the performance of my duties and responsibilities as a director, I consider the long-term success of the Company, its sustained competitiveness and profitability, its best interest and that of its shareholders and stakeholders.	5	
5	Guided by the principles of its Code of Ethics and Business Conduct, I represent Metro Global Holdings Corp. positively and constructively in all external dealings, seeking to enhance Metro Global Holdings Corp. name and reputation.	5	
Attendance and Participation			
6	I regularly attend and actively participate in all meetings of the Board, Committees, and shareholders, except when prevented by justifiable cause.	5	
7	I review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations in Board and Committee meetings.	5	
8	I willingly offer alternative viewpoints during discussions to reflect my own personal experiences and opinions.	5	
9	I fully support decisions made by the Board in the external arena, even if that decision did not completely reflect my own viewpoints.	5	
Performance			
10	I seek to find ways to continuously improve the efficiency and effectiveness of the Board or any Committee that I am a member of, taking any relevant suggestions to the Board Chairman or Committee Chairman, as the case maybe, for his consideration.	5	
11	I always exercise independent judgment.	5	
12	I keep myself informed of best corporate governance practices, industry developments, and business trends affecting the businesses of the Company.	5	
13	My board memberships in other companies, if any, do not interfere with my commitment to effectively carry out my duties and responsibilities as a director of the Company.	5	

For the succeeding questions, please answer those which are applicable to you.

A.	***For Executive Directors only***		
14	I maintain a primary identity as a Board member when dealing with Board matters, at the same time bringing to the Board the benefit of closer knowledge of operational considerations.	5	
B.	***For Independent and Non-Executive Directors only***		
15	I bring fully to the Board the benefit of a particular experience or expertise, at the same time not feeling constrained to contribute on matters that may be outside my personal experience and expertise.		
16	I bring fully to the Board an objective and independent position, not afraid to take an unpopular position corollary to what I think is beneficial to the Company.		
17	I have access to accurate, timely, and relevant information necessary for me to contribute to the discussions during the meetings.		

Board Assessment Form for Individual Directors
Page 2 of 3

C.	For Board Committee Chairman only		
18	I oversee the conduct of the Board Committee in line with the Committee mandate and working procedures.		
19	I manage the agenda of Committee meetings by taking into consideration the relevant and appropriate issues concerning the Committee and its mandate.		
20	I effectively chair Committee meetings, ensuring proper consideration of matters for discussion and recommendation to the full Board.		
21	I ensure that each member of the Committee has full opportunity to express views and contribute effectively to discussion.		
22	I ensure that appropriate record of Committee deliberations and conclusions are maintained.		
23	I lead and facilitate the Committee in reporting considerations and recommendations on any matter, including both majority conclusions and recommendations and minority conclusions and recommendations, to the Chairman of the Board, or to the Board as a body.		
D.	For Board Committee members only		
24	I am familiar with specific areas of concern covered by the Committee that I am a member of, and do not seek to divert into other areas not specifically envisioned by the committee mandate.	✓	
25	I believe that, relative to the size the businesses of the Company, the Board has an effective committee structure that complements the full Board in performing its functions.	✓	
26	I have access to timely, accurate, sufficient, and relevant information about the subject matter being discussed at the committee meetings I attend.	✓	
27	I constructively engage and consult with the Company CEO and other senior leaders for the purpose of the Committee being better informed, or better positioned to offer the Board more reliable recommendation.	✓	
28	I maintain external confidentiality of the details of Committee discussions, including the individual views of members, except as otherwise agreed for formal communication to the Board and/or Senior Management by the Committee as a whole.	✓	
29	The frequency of the committee meetings is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	✓	

What do you think was your best contribution to the Board this year?

A profitable and healthy financial position of the Company
arm length dealings with affiliates

What are you suggestions to improve the performance of the Board?

Remarks:

2
WS

METRO GLOBAL HOLDINGS CORP.

SELF-ASSESSMENT QUESTIONNAIRE
(INDIVIDUAL DIRECTOR)

Name of Assessor:	
Date Completed:	
Period Covered:	2022

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board members found under the Company's Manual on Corporate Governance. Please evaluate how well you have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Excellent
4	Above Average
3	Average
2	Below Average
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INDIVIDUAL BOARD DIRECTOR'S SELF-ASSESSMENT

	Good Corporate Governance Practices and Principles	Rating (1-5)	Remarks
Company Policies			
1	I take time to understand Metro Global Holdings Corp, its goals and strategies, its businesses, its governance and other key policies, purpose statement, and its brand.	5	
2	I understand and adhere to the mission, vision, and values of the Company.	5	
3	I conduct myself in a manner characterized by transparency, accountability, integrity, and fairness, being fully aware that the office of a director is one of trust and confidence.	5	
4	In the performance of my duties and responsibilities as a director, I consider the long-term success of the Company, its sustained competitiveness and profitability, its best interest and that of its shareholders and stakeholders.	5	
5	Guided by the principles of its Code of Ethics and Business Conduct, I represent Metro Global Holdings Corp. positively and constructively in all external dealings, seeking to enhance Metro Global Holdings Corp. name and reputation.	5	
Attendance and Participation			
6	I regularly attend and actively participate in all meetings of the Board, Committees, and shareholders, except when prevented by justifiable cause.	5	
7	I review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations in Board and Committee meetings.	5	
8	I willingly offer alternative viewpoints during discussions to reflect my own personal experiences and opinions.	5	
9	I fully support decisions made by the Board in the external arena, even if that decision did not completely reflect my own viewpoints.	5	
Performance			
10	I seek to find ways to continuously improve the efficiency and effectiveness of the Board or any Committee that I am a member of, taking any relevant suggestions to the Board Chairman or Committee Chairman, as the case maybe, for his consideration.	5	
11	I always exercise independent judgment.	5	
12	I keep myself informed of best corporate governance practices, industry developments, and business trends affecting the businesses of the Company.	5	
13	My board memberships in other companies, if any, do not interfere with my commitment to effectively carry out my duties and responsibilities as a director of the Company.	5	

For the succeeding questions, please answer those which are applicable to you.

A.	***For Executive Directors only***		
14	I maintain a primary identity as a Board member when dealing with Board matters, at the same time bringing to the Board the benefit of closer knowledge of operational considerations.		
B.	***For Independent and Non-Executive Directors only***		
15	I bring fully to the Board the benefit of a particular experience or expertise, at the same time not feeling constrained to contribute on matters that may be outside my personal experience and expertise.	5	
16	I bring fully to the Board an objective and independent position, not afraid to take an unpopular position corollary to what I think is beneficial to the Company.	5	
17	I have access to accurate, timely, and relevant information necessary for me to contribute to the discussions during the meetings.	5	

Board Assessment Form for Individual Directors
Page 2 of 3

C.	**For Board Committee Chairman only**		
18	I oversee the conduct of the Board Committee in line with the Committee mandate and working procedures.	5	
19	I manage the agenda of Committee meetings by taking into consideration the relevant and appropriate issues concerning the Committee and its mandate.	5	
20	I effectively chair Committee meetings, ensuring proper consideration of matters for discussion and recommendation to the full Board.	5	
21	I ensure that each member of the Committee has full opportunity to express views and contribute effectively to discussion.	5	
22	I ensure that appropriate record of Committee deliberations and conclusions are maintained.	5	
23	I lead and facilitate the Committee in reporting considerations and recommendations on any matter, including both majority conclusions and recommendations and minority conclusions and recommendations, to the Chairman of the Board, or to the Board as a body.	5	
D.	**For Board Committee members only**		
24	I am familiar with specific areas of concern covered by the Committee that I am a member of, and do not seek to divert into other areas not specifically envisioned by the committee mandate.	5	
25	I believe that, relative to the size the businesses of the Company, the Board has an effective committee structure that complements the full Board in performing its functions.	5	
26	I have access to timely, accurate, sufficient, and relevant information about the subject matter being discussed at the committee meetings I attend.	5	
27	I constructively engage and consult with the Company CEO and other senior leaders for the purpose of the Committee being better informed, or better positioned to offer the Board more reliable recommendation.	5	
28	I maintain external confidentiality of the details of Committee discussions, including the individual views of members, except as otherwise agreed for formal communication to the Board and/or Senior Management by the Committee as a whole.	5	
29	The frequency of the committee meetings is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.	5	

What do you think was your best contribution to the Board this year?

BEST PRACTICES
MY EXPERIENCES WITH PROJECTS

What are you suggestions to improve the performance of the Board?

Remarks:

Board Assessment Form for Individual Directors
Page 3 of 3

Jmc

METRO GLOBAL HOLDINGS CORP.

SELF-ASSESSMENT QUESTIONNAIRE
(INDIVIDUAL DIRECTOR)

Name of Assessor:	JAIME CACHO
Date Completed:	MAY 15/23
Period Covered:	2022

This Self-Assessment Questionnaire is composed of varying statements based on the roles, functions and responsibilities of the Board members found under the Company's Manual on Corporate Governance. Please evaluate how well you have performed for each criterion and indicate the rating at the appropriate box using the following rating scale:

Rating	Definition
5	Excellent
4	Above Average
3	Average
2	Below Average
1	Poor

Board Assessment Form for Individual Directors
Page 1 of 3

INDIVIDUAL BOARD DIRECTOR'S SELF-ASSESSMENT

	Good Corporate Governance Practices and Principles	Rating (1-5)	Remarks
	Company Policies		
1	I take time to understand Metro Global Holdings Corp, its goals and strategies, its businesses, its governance and other key policies, purpose statement, and its brand.	5	
2	I understand and adhere to the mission, vision, and values of the Company.	5	
3	I conduct myself in a manner characterized by transparency, accountability, integrity, and fairness, being fully aware that the office of a director is one of trust and confidence.	5	
4	In the performance of my duties and responsibilities as a director, I consider the long-term success of the Company, its sustained competitiveness and profitability, its best interest and that of its shareholders and stakeholders.	5	
5	Guided by the principles of its Code of Ethics and Business Conduct, I represent Metro Global Holdings Corp. positively and constructively in all external dealings, seeking to enhance Metro Global Holdings Corp. name and reputation.	4	
	Attendance and Participation		
6	I regularly attend and actively participate in all meetings of the Board, Committees, and shareholders, except when prevented by justifiable cause.	5	
7	I review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations in Board and Committee meetings.	4	
8	I willingly offer alternative viewpoints during discussions to reflect my own personal experiences and opinions.	5	
9	I fully support decisions made by the Board in the external arena, even if that decision did not completely reflect my own viewpoints.	3	
	Performance		
10	I seek to find ways to continuously improve the efficiency and effectiveness of the Board or any Committee that I am a member of, taking any relevant suggestions to the Board Chairman or Committee Chairman, as the case maybe, for his consideration.	4	
11	I always exercise independent judgment.	5	
12	I keep myself informed of best corporate governance practices, industry developments, and business trends affecting the businesses of the Company.	4	
13	My board memberships in other companies, if any, do not interfere with my commitment to effectively carry out my duties and responsibilities as a director of the Company.	5	

For the succeeding questions, please answer those which are applicable to you.

A.	***For Executive Directors only***		
14	I maintain a primary identity as a Board member when dealing with Board matters, at the same time bringing to the Board the benefit of closer knowledge of operational considerations.	4	
B.	***For Independent and Non-Executive Directors only***		
15	I bring fully to the Board the benefit of a particular experience or expertise, at the same time not feeling constrained to contribute on matters that may be outside my personal experience and expertise.		
16	I bring fully to the Board an objective and independent position, not afraid to take an unpopular position corollary to what I think is beneficial to the Company.		
17	I have access to accurate, timely, and relevant information necessary for me to contribute to the discussions during the meetings.		

Board Assessment Form for Individual Directors
Page 2 of 3

C.	For Board Committee Chairman only		
18	I oversee the conduct of the Board Committee in line with the Committee mandate and working procedures.		
19	I manage the agenda of Committee meetings by taking into consideration the relevant and appropriate issues concerning the Committee and its mandate.		
20	I effectively chair Committee meetings, ensuring proper consideration of matters for discussion and recommendation to the full Board.		
21	I ensure that each member of the Committee has full opportunity to express views and contribute effectively to discussion.		
22	I ensure that appropriate record of Committee deliberations and conclusions are maintained.		
23	I lead and facilitate the Committee in reporting considerations and recommendations on any matter, including both majority conclusions and recommendations and minority conclusions and recommendations, to the Chairman of the Board, or to the Board as a body.		
D.	**For Board Committee members only**		
24	I am familiar with specific areas of concern covered by the Committee that I am a member of, and do not seek to divert into other areas not specifically envisioned by the committee mandate.		
25	I believe that, relative to the size the businesses of the Company, the Board has an effective committee structure that complements the full Board in performing its functions.		
26	I have access to timely, accurate, sufficient, and relevant information about the subject matter being discussed at the committee meetings I attend.		
27	I constructively engage and consult with the Company CEO and other senior leaders for the purpose of the Committee being better informed, or better positioned to offer the Board more reliable recommendation.		
28	I maintain external confidentiality of the details of Committee discussions, including the individual views of members, except as otherwise agreed for formal communication to the Board and/or Senior Management by the Committee as a whole.		
29	The frequency of the committee meetings is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.		

What do you think was your best contribution to the Board this year?

What are you suggestions to improve the performance of the Board?

Remarks:

Back to recommendation **Annex "12"**

GGAPP

Good Governance Advocates & Practitioners of the Philippines

CERTIFICATION

The Good Governance Advocates and Practitioners of the Philippines, Inc. (GGAPP), hereby certify that an independent Third-Party Board Evaluation for 2021 was conducted for

METRO GLOBAL HOLDINGS CORPORATION (MGHC)

The Third-Party Board Evaluation was conducted through surveys sent to and accomplished by the members of the MGHC Board of Directors.

22 April 2022

Vincent Edward R. Festin
Chairman

Reginald H. Tiu
President

www.goodgovernancephilippines.org

[Back to recommendation](#) **Annex “13”**

BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

	Process	**Criteria**
Board of Directors	Periodic self-appraisal	Board discussions and participation
Board Committees	Periodic self-appraisal	Meeting targets/objectives set by the committees
Individual Directors	Periodic self-appraisal	Board discussions and participation
CEO/President	Periodic review of management	Meeting Company objectives and targets

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.

Back to recommendation **Annex “15”**

METRO GLOBAL HOLDINGS INC.

PROCESS FOR APPROVING AND RECOMMENDING THE APPOINTMENT, REAPPOINTMENT, REMOVAL, AND FEES OF THE EXTERNAL AUDITORS

Metro Global Holdings Inc.’s (MGH) procedure for the selection and appointment of the External Auditor may vary from time to time.

Responsibility for Selection and Appointment
The Audit Committee is the custodian of MGH's External Auditor relationship and makes recommendations to the Board in relation to the appointment, termination and oversight of the External Auditor.

It also ensures that key partners within the appointed firm are rotated from time to time in accordance with Board policy.

Selection Criteria
MGH requires its External Auditor to review, test and challenge its accounting policies, accounting processes and internal financial controls.
Accordingly, MGH appoints as External Auditor an internationally recognized and respected accountancy firm which has access to expert international accounting standards, demonstrable audit quality control processes and substantial resources to carry out any assignment.

Selection and Appointment Process
Key aspects of the External Auditor selection and appointment process are:

- The Board is responsible for appointing the External Auditor, subject to shareholder approval.
- The Audit Committee will annually review the External Auditor's performance and independence and periodically benchmarks the cost and scope of the external audit engagement.
- The appointed External Auditor is required to present to the Audit Committee an annual external audit proposal.
- The Audit Committee, in consultation with management, will approve the scope of the audit, the terms of the annual engagement letter and audit fees.
- Management will prepare the annual engagement letter on behalf of the Audit Committee.
- Upon engagement, the External Auditor will have unfettered access to management, staff, records and company facilities, and is permitted reasonable, agreed time to conduct its audit.

Rotation of External Auditor Partners and Staff
The External Auditor is required to rotate any MGH audit and review of the lead audit partner every five years and other audit partners every seven years, and consider whether there should be regular rotation of the audit firm itself

Back to recommendation **Annex "16"**

METRO GLOBAL HOLDINGS CORP.

POLICY ON NON-AUDIT SERVICES

INTRODUCTION:

This document details Metro Global Holdings, Corporation's (MGHC) policy in relation to the provision of non- audit services by the external auditors ("the Auditors") on behalf of the MGHC and outlines the control processes that are in place to ensure compliance with this Policy.

The objectives of this Policy are:

(a) to preserve the independence and objectivity of the Auditors in performing the mandatory audit, and

(b) to avoid any conflict of interest by outlining both the types of work that the Auditors can and cannot undertake and the considerations that should be applied in assessing potential conflicts of interest.

Additionally the Audit Committee recognizes that the Auditor has significant knowledge of MGHC's business and that this knowledge and experience can be utilised to the MGHC's advantage in the provision of certain additional professional services. However, there is a need to balance these advantages against the need to maintain safeguards in those areas where there could be an external perception that the auditor's independence and judgment may have been impaired through the award of non- audit assignments.

This policy provides guidance on the services that the Auditor may be asked to undertake and those services where the Auditor should not be involved.

POLICY:

1. **Audit - related services**

Audit-related services are defined as those services that are specifically required of MGHC Auditor through regulatory, legislative or contractual requirements. Such services are considered to be wholly compatible with independent external audit services.

Such audit-related services include, but are not limited to:

- Assurance services required of the Auditor by the regulatory authorities in whose jurisdiction the company operates.
- Additional legislative or contractual requirements for mandatory reports to be undertaken by the Auditors.

2. **Permitted Non Audit services**

In addition to Audit-related Services, there are certain services that are best provided by the Auditors because of their existing knowledge of the business, or because the information required is a by-product of the audit process. Such services are typically not required to be provided by the Auditor by regulatory, legislative or contractual requirements however they are also considered to be wholly compatible with independent external audit services.

These include:

a. Services that overlap with the audit process or where the use of a party other than the Auditor would result in significant duplication of audit work, including, for example, specific internal control reviews.

b. Services that the Auditors are not required by law to undertake, but where the information largely derives from the audited financial records.
c. Tax compliance, where much of the information derives from the audited financial records.
d. Other independent assurance work.

3. Non Audit Services that cannot be provided by the Auditors

Certain services are recognized as being wholly incompatible with the provision of independent external audit services.

The Auditor should not be engaged to perform any service, where to do so:

- would create a mutual or conflicting interest between the Auditor and MGHC
- might create a situation where by as part of other audit engagements the Auditor may need to re-evaluate rely on work performed as part of a non-audit service
- would involve the Auditor in decision making that is properly the preserve of management
- would involve the Auditor acting in a management capacity or as employee of MGHC
- would require the Auditor to act as an advocate or negotiate on behalf of MGHC.

Examples of not permitted services are, but not limited to the following:

a. Internal Audit - The Auditors cannot be engaged to provide internal audit services if, for the purposes of the audit of the financial statements, they would need to place significant reliance on the internal audit work or if the audit firm would take a management role as a result of undertaking the internal audit work.

b. IT Services - The Auditors cannot be engaged to design, provide or implement information technology systems where the systems concerned would be important to any significant part of the accounting system or to the production of the financial statements and the Auditors would place significant reliance on them as part of the audit of the financial statements; or for the purposes of the provision of information technology services, the audit firm would undertake part of the role of management

c. Valuation Services - Services that involve highly subjective judgements and are material to the financial statements of MGHC e.g. reports where the auditors provide an opinion on the adequacy of consideration in a transaction , valuation of real estate and financial instruments

d. Litigation Support - If the work would involve the estimation of likely outcome of pending legal matter that could be material to amounts to be included in disclosures in financial statements and there is a significant degree of subjectivity involved.

e. Recruitment Services - The Auditor cannot be used to provide recruitment services or act as negotiators in the recruitment process for directors and key management positions at MGHC. The Auditor cannot be used to provide advice on the quantum of the remuneration package or the measurement criteria on which the quantum is calculated for directors or key management.

f. Corporate Finance & Transaction Based Services -Services that would involve the audit firm taking responsibility for dealing in, underwriting or promoting shares (including broker –dealer services); or Services that would depend on a judgemental accounting treatment, or on a contingent fee basis if material to audit firm, or the outcome involves a future or contemporary audit judgement relating to a material balance in the financial statements.

g. Accounting Services - Maintenance of accounting records or the preparation of financial statements that are then subject to audit.

h. Legal Services - The Auditors cannot act as an advocate before a tribunal or court, if the issue is material to the financial statements; or dependent on a future or contemporary audit judgement.

4. Audit Committee responsibility

The Audit Committee is empowered to pre-approve all auditing and permitted non-audit services performed by the MGHC's Auditors. Likewise, the committee may delegate authority to sub-committees, including the authority to pre-approve all auditing and permitted non-audit services, providing that such decisions are presented to the full committee at its next scheduled meeting.

CEO and CEA Attestation Report

Attestation of Internal Control and Compliance System
For the year ended, December 31, 2022

Metro Global Holdings Corporation's corporate governance system includes a combination of internal and external mechanisms such as the structure of the board of directors and our committees, the oversight it exercises over management, and the formulation of sound policies and controls.

- The Board of Directors is responsible for providing governance and overseeing the implementation of adequate internal control mechanisms and risk management processes;
- Management has the primary responsibility for designing and implementing an adequate and effective system of internal controls and risk management processes to ensure compliance with rules and regulations, and the law;
- Management is responsible for developing a system to monitor and manage risks;
- Isla Lipana & Co., the Company's external auditor for the year 2022, is responsible for assessing and expressing an opinion on the conformity of the audited financial statements with Philippine Financial Reporting Standards and the overall quality of the financial reporting process;
- Internal Audit develops an annual work plan based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and and conducts reviews to assess the adequacy of the Company's internal controls;
- The Chief Audit Executive reports functionally to the Audit Committee to ensure independence and objectivity, allowing Internal Audit to fulfill its responsibilities; and
- Internal Audit activities adhere to The Institute of Internal Auditor's mandatory guidance, including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (ISPPIA) and are continuously evaluated through self-assessment.

Based on the above assurance provided by the internal auditors as well as the external auditors as a result of their reviews, we attest that Metro Global Holdings Corporation's system of internal controls, risk management, compliance and governance processes are adequate.

ROBERT JOHN L. SOBREPENA
Chief Executive Officer

FRANCISCO C. GONZALEZ
Chairman of Audit Committee

SOLITA S. ALCANTARA
Chief Audit Executive

Alternative Dispute Resolution

	Alternative Dispute Resolution System
Corporation & Stockholders	To be formulated
Corporation & Third Parties	Settlement Agreement
Corporation & Regulatory Authorities	Compliance and Payment of Penalties

Back to recommendation **Annex "19"**

THE COMPANY'S REWARD/COMPENSATION POLICY

In order to attract and retain talents at all levels of the organization, it is the policy of the Company's parent company, whose officers and some employees are seconded to the Company, to maintain wage and salary standards and keep the pay or salary ranges consistent with the economic constraint and labor market in which we compete.

- Establish salary ranges that reflect the value of the various jobs, as determined by a system of continuing job evaluations and review.
- Establish and maintain justifiable differentials between job levels;
- Encourage superior performance by adjusting salary of each employee on the basis of the quality of individual performance, as maybe determined by performance evaluation;

Basis for Determination of Salary and Salary Changes

- Inflation rate, consumer price index (local), salary increases granted by comparable industries/employers within the established labor market
- Compensation survey (every 2-3 years) of benchmark positions
▪ To determine if nay job classifications should be reviewed for equity adjustment in salary/compensation.

Internal Alignment

A minimum and maximum salary is established for each position/job classification based upon external market data and upon the internal alignment of job classifications.

Review of Performance and Salary

- Performance of each employee is reviewed regularly.
- The merit of employee performance shall determine salary increase to be given.
- Employees are eligible to receive salary increase based on the ff:
  - Compensation adjustment - when EXCOM determines that classifications and/or salary ranges should be adjusted.
  - Promotion
  - Reclassification
    - Upward - not automatic unless it is to bring the employee up to the minimum of the new salary range
    - Lateral - salary will remain unchanged
    - Downward - salary will remain unchanged until such time as general salary range adjustments increase the salary for the new classification

Back to recommendation Annex "20"

COMPANY'S TRAINING AND DEVELOPMENT PROGRAMME

We are committed to having a workplace prepared to meet current and future business objectives by providing our employees, at all levels, with appropriate education and training opportunities.

a. All employees will be oriented in the philosophy, ethics, values, principles and business priorities of the company, such as induction into their group/department.

i. Company Orientation Programme is conducted to all new employees.

ii. Job Induction/orientation is also facilitated by the Immediate Superior - where job standards are met.

b. Our employees will only take up high job responsibilities when they have completed the minimum level of training specified for that job.

i. KSAs are defined per position.

ii. Attendance to public seminars and workshops are required to Address gap per KSA.

1. Officers (Managers up) are also encouraged to attend such seminars to update their KSAs.

iii. In-house training is also provided which are customized to the job needs as well as personal needs.

c. All first time managers shall successfully complete specified supervisory training within a specified period of appointment.

i. Promotional Program

i. Management Development Program

ii. Candidate must have attended a training program related to his present functions or to the operations of the department.

METRO GLOBAL HOLDINGS CORP.

Effective immediately Metro Global Holdings, Corp. (MGHC) shall prohibit its employees and officers from soliciting and/ or accepting gifts offered by suppliers, contractors, customers, potential employees, potential suppliers and contractors, or any other individual or organization, no matter the value.

By "gifts," MGHC means any item including pens, hats, t-shirts, mugs, calendars, bags key chains, portfolios, and other tchotchkes as well as items of greater value. Exempted are cards, thank you notes, certificates, or other written forms of thanks and recognition.

Employees are required to professionally inform suppliers and contractors, potential suppliers and contractors and other of this no-gift policy. Employees will request that suppliers and contractors respect our company policy and not purchase and deliver any gift for our employees, a department, an office or the company, at any time, for any reason.

If an employee or department receives a gift: if feasible, the gift is returned to the suppliers and contractors; if not feasible to return the gift, the gift must be raffled off to all employees. Gifts of food that may arrive during the holidays, and at other times of the year when gift giving is traditional, belong to the entire staff even if addressed to a single employee. Under no circumstances may an employee take a food gift home; food gifts must be shared with and distributed to all staff.

MGHC
No Gift Policy December 2017
KMBenitez

METRO GLOBAL HOLDINGS CORP.

If any employee has questions about and/ or needs clarification of any aspect of [illegible] isor is uncertain, Human Resources is the arbiter of the gift policy to ensure consistent employee treatment across the company. Any exceptions to the gift policy may be made only with the permission of the company president.

All employees must acknowledge that they have received and understand the company gift policy.

MGHC
No Gift Policy December 2017
KMBenitez

METRO GLOBAL HOLDINGS CORPORATION

IT DISASTER RECOVERY PLAN

Information Technology Statement of Intent

This document delineates our policies and procedures for technology disaster recovery, as well as our process-level plans for recovering critical technology platforms and the telecommunications infrastructure. This document summarizes our recommended procedures. In the event of an actual emergency situation, modifications to this document may be made to ensure physical safety of our people, our systems, and our data.

Our mission is to ensure information system uptime, data integrity and availability, and business continuity.

Policy Statement

Corporate management must approved the following policy statement:

- The company shall develop a comprehensive IT disaster recovery plan.
- A formal risk assessment shall be undertaken to determine the requirements for the disaster recovery plan.
- The disaster recovery plan should cover all essential and critical infrastructure elements, systems and networks, in accordance with key business activities.
- The disaster recovery plan should be periodically tested in a simulated environment to ensure that it can be implemented in emergency situations and that the management and staff understand how it is to be executed.
- All staff must be made aware of the disaster recovery plan and their own respective roles.
- The disaster recovery plan is to be kept up to date to take into account changing circumstances.

Objectives

The principal objective of the disaster recovery program is to develop, test and document a well-structured and easily understood plan which will help the company recover as quickly and effectively as possible from an unforeseen disaster or emergency which interrupts information systems and business operations. Additional objectives include the following:

- The need to ensure that all employees fully understand their duties in implementing such a plan
- The need to ensure that operational policies are adhered to within all planned activities
- The need to ensure that proposed contingency arrangements are cost-effective
- The need to consider implications on other company sites
- Disaster recovery capabilities as applicable to key customers, vendors and others

1 Plan Overview

1.1 Plan Updating

It is necessary for the DRP updating process to be properly structured and controlled. Whenever changes are made to the plan they are to be fully tested and appropriate amendments should be made to the training materials. This will involve the use of formalized change control procedures under the control of the IT Director.

1.2 Plan Documentation Storage

Copies of this Plan, CD, and hard copies will be stored in secure locations to be defined by the company. Each member of senior management will be issued a CD and hard copy of this plan to be filed at home. Each member of the Disaster Recovery Team and the Business Recovery Team will be issued a CD and hard copy of this plan. A master protected copy will be stored on specific resources established for this purpose.

1.3 Backup Strategy

Key business processes and the agreed backup strategy for each are listed below. The strategy chosen is for a fully mirrored recovery site at the company's offices in _____. This strategy entails the maintenance of a fully mirrored duplicate site which will enable instantaneous switching between the live site (headquarters) and the backup site.

KEY BUSINESS PROCESS	BACKUP STRATEGY
Accounting	Fully mirrored off-site
Human Resources	Fully mirrored on-site
Treasury	Fully mirrored on-site
Email	Cloud based
Purchasing	Fully mirrored on-site
Disaster Recovery	Fully mirrored off-site
Finance	Fully mirrored on-site
Contracts Admin	Fully mirrored on-site
Audit	Fully mirrored on-site

1.4 Risk Management

There are many potential disruptive threats which can occur at any time and affect the normal business process. We have considered a wide range of potential threats and the results of our deliberations are included in this section. Each potential environmental disaster or emergency situation has been examined. The focus here is on the level of business disruption which could arise from each type of disaster.

Potential disasters have been assessed as follows:

Potential Disaster	Probability Rating	Impact Rating	Brief Description Of Potential Consequences & Remedial Actions
Flood	5	4	All critical equipment is located on Mezzanine Floor
Fire	3	4	FM200 suppression system installed in main computer areas. Fire and smoke detectors on all floors.
Tornado	5		
Electrical storms	5		
Act of terrorism	4		Two securities on site daily.
Act of sabotage	4		CCTV installation in progress.
Electrical power failure	3	4	Redundant UPS array together with standby generator.
Loss of communications network services	4	4	Two diversely routed ISP into building. WAN redundancy, voice network resilience by Fitera.

Probability: 1=Very High, 5=Very Low Impact: 1=Total destruction, 5=Minor annoyance

2 Emergency Response

2.1 Alert, escalation and plan invocation

2.1.1 Plan Triggering Events

Key trigger issues at headquarters that would lead to activation of the DRP are:

- Total loss of all communications
- Total loss of power
- Flooding of the premises
- Loss of the building

2.1.2 Assembly Points

Where the premises need to be evacuated, the DRP invocation plan identifies two evacuation assembly points:

- Primary – Far end of main parking lot;
- Alternate – Parking lot of company across the street

2.1.3 Activation of Emergency Response Team

When an incident occurs the Emergency Response Team (ERT) must be activated. The ERT will then decide the extent to which the DRP must be invoked. All employees must be issued a Quick Reference card containing ERT contact details to be used in the event of a disaster. Responsibilities of the ERT are to:

- Respond immediately to a potential disaster and call emergency services;
- Assess the extent of the disaster and its impact on the business, data center, etc.;
- Decide which elements of the DR Plan should be activated;
- Establish and manage disaster recovery team to maintain vital services and return to normal operation;
- Ensure employees are notified and allocate responsibilities and activities as required.

2.2 Disaster Recovery Team

The team will be contacted and assembled by the ERT. The team's responsibilities include:

- Establish facilities for an emergency level of service within 2.0 business hours;
- Restore key services within 4.0 business hours of the incident;
- Recover to business as usual within 8.0 to 24.0 hours after the incident;
- Coordinate activities with disaster recovery team, first responders, etc.
- Report to the emergency response team.

2.3 Emergency Alert, Escalation and DRP Activation

This policy and procedure has been established to ensure that in the event of a disaster or crisis, personnel will have a clear understanding of who should be contacted. Procedures have been addressed to ensure that communications can be quickly established while activating disaster recovery.

The DR plan will rely principally on key members of management and staff who will provide the technical and management skills necessary to achieve a smooth technology and business recovery. Suppliers of critical goods and services will continue to support recovery of business operations as the company returns to normal operating mode.

2.3.1 Emergency Alert

The person discovering the incident calls a member of the Emergency Response Team in the order listed:

Emergency Response Team

- __________
- __________
- __________

If not available try:

- __________
- __________

Disaster Recovery Plan Recommendation

Hardware:

1. Redundant Arrays of Independent Disks (RAID)
2. Automatic fail-over uninterruptible power supply (UPS)
3. Mirrored System

Back-up Method:

1. Type of Back-up
    a. Incremental
    b. Full
2. Frequency of Back-up
    a. Daily
    b. Weekly
    c. Monthly
3. Media
    a. Magnetic Disk
    b. Magnetic Tape
    c. Optical Disk (CDs)
4. Back-up Labeling scheme
5. Off-site back-up
    1. Criteria
        - Geographic Area –distance from the organization and the probability of the storage site being affected by the same disaster as the organization.
        - Accessibility –length of time necessary to retrieve the data from storage and the storage facility's operating hours.
        - Security –security capabilities of the storage facility and employee confidentiality which must meet the data's sensitivity and security requirements.
        - Environment –structural and environmental conditions of the storage facility. (i.e. temperature, humidity, fire prevention and power management controls)
        - Cost –cost of shipping, operational fees, and disaster response/recovery services.
    2. Alternate Site
        - Dedicated site owned or operated by organization.
        - Reciprocal agreement or memorandum of agreement with and internal / external entity.
        - Commercially leased facility.

Recovery Procedures:
Procedures should be assigned to the appropriate recovery team and typically address the following actions:

1. Obtaining authorization to access damaged facilities and/or geographic area.
2. Notifying internal and external business partners associated with the system.
3. Obtaining necessary office supplies and work space.
4. Obtaining and installing necessary hardware components.
5. Obtaining and loading back-up media.
6. Restoring critical operating system and application software.
7. Restoring System Data.
8. Testing system functionality including security controls.
9. Connecting system to network or other external systems.
10. Operating alternate equipment successfully.

COVER SHEET

9142
S.E.C. Registration Number

METRO GLOBAL HOLDINGS
CORPORATION

(Company's Full Name)

MEZZANINE FLOOR RENAISSANCE
TOWER MERALCO AVENUE
PASIG CITY

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

ALICE ODCHIGUE-BONDOC
Contact Person

28633 - 6205 Loc. 113
Company Telephone Number

12 31
Month Day
calendar year

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

1st Thursday of March
Month Day
Annual Meeting

Regitered/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

Remarks = pls. use black ink for scanning

ANNEX "H"

COMPREHENSIVE CORPORATE DISCLOSURE

As approved by Management, the Parent Company of the Issuer, Fil-Estate Management, Inc. ("FEMI"), will subscribe to One Billion Two Hundred Fifty Million Pesos (P1,250,000,000.00) equivalent to One Billion Two Hundred Fifty Million Shares (1,250,000,000) at P1.00 per share. The shares that will be issued to FEMI will come from the proposed increase in the capital stock of the Issuer, from Five Billion Pesos (P5,000,000,000.00), equivalent to Five Billion Shares (5,000,000,000.00) at P1.00 per share, to Ten Billion Pesos (P10,000,000,000.00), equivalent to Ten Billion Shares (10,000,000,000.00) at P1.00 per share.

FEMI will initially pay 25% of the total subscription price of One Billion Two Hundred Fifty Million Pesos (P1,250,000,000.00), or Three Hundred Twelve Million Five Hundred Thousand Pesos (P312,500,000.00). Two Hundred Ten Million Pesos (P210,000,000.00) will be paid by way of debt-to-equity conversion and the balance of One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00), through the application of its deposit for future subscription amounting to One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00).

The Issuer's proposed increase in authorized capital stock will be presented for approval of the shareholders at the Annual Stockholders' Meeting scheduled on October 12, 2023.

Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction
The Issuer plans to offer to the public, the unsubscribed portion of the 5.0 billion increase in authorized capital stock, equivalent to Three Billion Seven Hundred Fifty Million (3,750,000,000) shares. The Issuer foresees a ₱3.75 billion peso capital inflow from the sale of the said unsubscribed shares which funds will be used to partially finance the renewable energy projects of the Issuer. The public offering of the unsubscribed shares will be subject to approval by the Board of Directors, timing of which will depend on the date of approval by the Securities and Exchange Commission (SEC) of the Issuer's application for increase in authorized capital stock.

The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any agreements for payment on a deferred basis
FEMI will initially pay 25% of the total subscription price of One Billion Two Hundred Fifty Million Pesos (P1,250,000,000.00), or Three Hundred Twelve Million Five Hundred Thousand Pesos (P312,500,000.00). Two Hundred Ten Million Pesos (P210,000,000.00) will be paid by way of debt-to-equity conversion and the balance of One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00), through the application of its One Hundred Two Million Five Hundred Thousand Pesos (P102,500,000.00) "deposit for future subscription". The settlement of the balance of the FEMI subscription, amounting to Nine Hundred Forty Seven Million Five Hundred Thousand Pesos (P947,500,000.00), will be subject to separate agreement between the Issuer and FEMI.

The basis upon which the consideration or the issue value was determined
The new shares to be received by FEMI from Issuer will be issued at a subscription price of PhP1.00 per share.
Detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project
The unsubscribed portion of the ₱5.0 billion peso increase in the authorized capital stock of the Issuer, equivalent to Three Billion Seven Hundred Fifty Million Peso (₱3,750,000,000.00) will be offered to the public. The Issuer foresees a ₱3.75 billion peso capital inflow from the sale of the unsubscribed shares which funds will be used to partially finance the renewable energy projects of the Issuer. The public offering of the unsubscribed shares will be subject to approval by the Board of Directors, timing of which will depend on the date of approval by the Securities and Exchange Commission of the Issuer's application for increase in authorized capital stock.

Identity and/or corporate background of the beneficial owners of the shares subscribed, including the following

Beneficial Owners/Subscribers	*Nature of Business*	*Nature of any material relationship with the Issuer and the parties to the transaction, their directors/officers or any of their affiliates*	
Fil-Estate Management, Inc.	Holding company	The ultimate parent company of MGHC (Issuer) is Fil-Estate Management, Inc. which owns 87.99% of the total issued, outstanding and subscribed capital stock of MGHC.	

Mr. Robert John L. Sobrepeña is the Chairman of Fil-Estate Management, Inc. (FEMI), 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 Issuer.

Atty. Ferdinand T. Santos is a Director of FEMI and also owns about one-third (1/3) of the outstanding shareholdings of FEMI. He is also a director of the Issuer.

Mr. Noel M. Cariño, is also a Director of FEMI and also owns about one-third (1/3) of the outstanding shareholdings of FEMI. He is also a director of the Issuer.

Organizational/Ownership Structure of Subscribers

Controlling Shareholders of Subscribers	Number of Shares Held	%	
Robert John L. Sobrepeña	455,208	32	
Ferdinand T. Santos	382,668	26	
Noel M. Cariño	383,332	27	

For details on the ownership structure of FEMI, please refer to the attached copy of FEMI GIS.

For subscribers with no track record or with no operating history: the Subscriber must present a statement of active business pursuits and objectives which details the step undertaken and proposed to be undertaken by the Issuer in order to advance its business. Projected financial statements shall only be required should there be references made in the Statement to forecasts or targets

The interest which directors of the parties to the transaction have in the proposed transaction

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.

Atty. Ferdinand T. Santos is a Director of FEMI and also owns about one-third (1/3) of the outstanding shareholdings of FEMI. He is also a director of the Issuer.

Mr. Noel M. Cariño, is also a Director of FEMI and he also owns about one-third (1/3) of the outstanding shareholdings of FEMI. He is also a director of the Issuer.

Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders

As required by law, the proposed capital increase will be submitted for approval of the shareholders at the Annual Stockholders' Meeting of Issuer on October 12, 2023 where independent shareholders may freely vote for or against the proposal.

Since the FEMI subscription is a related party transaction, Management will also seek to secure the approval of majority of the outstanding shares held by the minority shareholders present or represented at the Annual Stockholders' Meeting to waive the requirement of a rights or public offering.

The proposed transaction is part of the new business plan of the Issuer to position itself as one of the leading companies in the renewable and waste-to-energy industry.

Any conditions precedent to closing of the transaction

The issuance of the shares to FEMI is dependent on the approval by the SEC of the Issuer's application f increase in authorized capital stock

Change(s) in the composition of the Board of Directors and Management

Part of the agenda of the Annual Stockholders Meeting of Issuer scheduled on 12 October 2023 is the election of directors. In its meeting held on 25 August 2023 the Nomination Committee of Issuer has approved the following nominees to the Board of Issuer for 2023-2024:

1. Robert John L. Sobrepeña;
2. Ferdinand T. Santos;
3. Noel M. Cariño;
4. Rafael Perez de Tagle, Jr.;
5. Roberto S. Roco;
6. Jaime M. Cacho;
7. Alice Odchigue-Bondoc;

8. Francisco C. Gonzales (ID); and
9. Jose Wilfrido M. Suarez (ID).

Effects on the following:

Ownership structure

Principal Shareholders	Before		After	
	Number of shares	%	Number of shares	%
Fil-Estate Management, Inc.	1,759,750,19	87.99	3,759,750,19	93.99
PCD Nominee Corporation (Filipino)	100,564,633	5.03	100,564,633	2.51

The Two Billion (2,000,000,000) increase in ownership of FEMI in the Issuer was in view of the following:

1) Subscription to One Billion Two Hundred Fifty Million Pesos (P1,250,000,000.00), equivalent to One Billion Two Hundred Fifty Million Shares (1,250,000,000) at P1.00 per share, from the proposed Five Billion (5,000,000,000) increase in authorized capital stock; and,
2) Subscription to Seven Hundred Fifty Million Pesos (P750,000,000.00) equivalent Seven Hundred Fifty Million (750,000,000) shares, at P1.00 per share, from the Issuer's application for increase in authorized capital stock of Three Billion Pesos (P3,000,000,000.00), equivalent to Three Billion Shares (3,000,000,000.00) at P1.00 per share, which currently is awaiting approval by the SEC.

Capital structure

For details on the capital structure of the Issuer, please see attached copy of GIS.

Issued Shares

Type of Security /Stock Symbol	Before	After
Common	2,000,000,000	4,000,000,000

The Two Billion (2,000,000,000) increase in issued shares of the Issuer was in view of the One Billion Two Hundred Fifty Million (1,250,000,000) shares that FEMI will subscribed from the proposed Five Billion (5,000,000,000) increase in authorized capital stock and the Seven Hundred Fifty Million (750,000,000) shares that FEMI previously subscribed, which will come from the Three Billion (3,000,000,000) increase in its authorized capital stock, which the Issuer has already filed with and awaiting approval by the SEC.

Outstanding Shares

Type of Security /Stock Symbol	Before	After	
Common	2,000,000,000	4,000,000,000	

The Two Billion (2,000,000,000) increase in outstanding shares of the Issuer was in view of the One Billion Two Hundred Fifty Million (1,250,000,000) shares that FEMI will subscribed from the proposed Five Billion (5,000,000,000) increase in authorized capital stock and the Seven Hundred Fifty Million (750,000,000) shares that FEMI previously subscribed, which will come from the Three Billion (3,000,000,000) increase in its authorized capital stock, which the Issuer has already filed with and awaiting approval by the SEC.

Treasury Shares

Type of Security /Stock Symbol	Before	After	
Common	-	-	

Listed Shares

Type of Security /Stock Symbol	Before	After	
Common	299,850,000	299,850,000	

Effect(s) on the public float, if any	Upon completion of the transaction described above, Issuer's public float will decrease to 7.50%. However, public float may increase once the unsubscribed shares are offered to the public. The timeline for the offering to the public of the unsubscribe shares will depend on the approval by the SEC of the Issuer's application for increase in authorized capital stock
Effect(s) on foreign ownership level, if any	Upon completion of the transaction described above, foreign ownership in Issuer will decrease. However, once the unsubscribed shares are all offered to the public, foreign ownership in the Company may increase. The timeline for the offering to the public of the unsubscribe shares will depend on the approval by the SEC of the Issuer's application for increase in authorized capital stock

Other Relevant Information

Please see attached Annex "H-1" for additional information.

ANNEX "H-1"

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

The following document has been received:

Receiving: Aldrin Pagal
Receipt Date and Time: January 18, 2023 01:36:55 PM

Company Information

SEC Registration No.: 0000009142
Company Name: METRO GLOBAL HOLDINGS CORPORATION
Industry Classification: C11920
Company Type: Stock Corporation

Document Information

Document ID: OST1011820238886992
Document Type: General Information Sheet
Document Code: GIS
Period Covered: December 09, 2022
Submission Type: Annual Meeting
Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2022

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS TOGETHER WITH AN AFFIDAVIT OF NON-HOLDING OF MEETING WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE SCHEDULED ANNUAL MEETING (AS PROVIDED IN THE BY-LAWS). HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE CORPORATE SECRETARY OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT ONLY THE AFFECTED PAGE OF THE GIS THAT RELATES TO THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED BY THE CORPORATE SECRETARY OF THE CORPORATION. THE PAGE OF THE GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURRED OR BECAME EFFECTIVE.
5. SUBMIT FIVE (5) COPIES OF THE GIS TO THE CENTRAL RECEIVING SECTION, GROUND FLOOR, SEC BLDG., EDSA, MANDALUYONG CITY. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER WITH A STANDARD COVER PAGE. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE. CORPORATIONS SUBMITTING A COPY OF THEIR GIS ONLINE OR VIA INTERNET SHALL SUBMIT ONE (1) HARD COPY OF THE GIS, TOGETHER WITH A CERTIFICATION UNDER OATH BY ITS CORPORATE SECRETARY THAT THE COPY SUBMITTED ONLINE CONTAINS THE EXACT DATA IN THE HARD COPY.
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

=============================== PLEASE PRINT LEGIBLY ===================================

CORPORATE NAME: METRO GLOBAL HOLDINGS CORPORATION			DATE REGISTERED:
BUSINESS/TRADE NAME: METRO GLOBAL HOLDINGS CORPORATION			9/17/1954
SEC REGISTRATION NUMBER: 9142			FISCAL YEAR END: DECEMBER 31
DATE OF ANNUAL MEETING PER BY-LAWS: 1st Thursday of March			CORPORATE TAX IDENTIFICATION NUMBER (TIN) 000-194-408-000
ACTUAL DATE OF ANNUAL MEETING: December 9, 2022			WEBSITE/URL ADDRESS: https://metroglobalholdings.com/
COMPLETE PRINCIPAL OFFICE ADDRESS: Mezzanine Floor, Renaisance Tower, Meralco Avenue, Pasig City			E-MAIL ADDRESS: investor-relations@metroglobalholdings.com
COMPLETE BUSINESS ADDRESS: Mezzanine Floor, Renaisance Tower, Meralco Avenue, Pasig City			FAX NUMBER:
OFFICIAL E-MAIL ADDRESS	ALTERNATE E-MAIL ADDRESS	OFFICIAL MOBILE NUMBER	ALTERNATE MOBILE NUMBER
corpsec@metroglobalholdings.com	SEC.Corresponence@pbrlaw.com.ph	+639178587113	+639173277619
NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: ISLA LIPANA & CO. - DENNIS MALCO		SEC ACCREDITATION NUMBER (if applicable): 126035	TELEPHONE NUMBER(S): 86336205
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: To carry on the business of a management company in all its elements, aspects and details, etc.		INDUSTRY CLASSIFICATIO N/A	GEOGRAPHICAL CODE: N/A

============================== INTERCOMPANY AFFILIATIONS ==============================

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
Fil-Estate Management, Inc.	106295	M/F Renaissance Tower, Meralco Ave., Pasig City
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
Monemento Rail Transit Corp.	AS95004726	6/F Belvedere Tower, San Miguel Ave., Ortigas Center, Pasig City
Metro Rail Transit Holdings II, Inc.	A199900832	6/F Belvedere Tower, San Miguel Ave., Ortigas Center, Pasig City
Metro Rail Transit Holdings,Inc.	A199900828	6/F Belvedere Tower, San Miguel Ave., Ortigas Center, Pasig City
MRT Development Corporation	AS95-8031	2/F Renaissance Tower, Meralco Ave., Ortigas Center, Pasig City
Metro Renewable Transport Solutions, Inc.	CS202052567	Mezzanine Floor, Renaissance Tower, Meralco Ave., Ortigas Center, Pasig City
MGHC Royal Holdings Corporation	CS201715236	Mezzanine Floor, Renaissance Tower, Meralco Ave., Ortigas Center, Pasig City

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET

STOCK CORPORATION

=============================== PLEASE PRINT LEGIBLY ===============================

Corporate Name: METRO GLOBAL HOLDINGS CORPORATION

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ○ Yes ● No

Please check the appropriate box:

1.

☐ a. Banks
☐ b. Offshore Banking Units
☐ c. Quasi-Banks
☐ d. Trust Entities
☐ e. Non-Stock Savings and Loan Associations
☐ f. Pawnshops
☐ g. Foreign Exchage Dealers
☐ h. Money Changers
☐ i. Remittance Agents
☐ j. Electronic Money Issuers
☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

☐ a. Insurance Companies
☐ b. Insurance Agents
☐ c. Insurance Brokers
☐ d. Professional Reinsurers
☐ e. Reinsurance Brokers
☐ f. Holding Companies
☐ g. Holding Company Systems
☐ h. Pre-need Companies
☐ i. Mutual Benefit Association
☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3

☐ a. Securities Dealers
☐ b. Securities Brokers
☐ c. Securities Salesman
☐ d. Investment Houses
☐ e. Investment Agents and Consultants
☐ f. Trading Advisors
☐ g. Other entities managing Securities or rendering similar services
☐ h. Mutual Funds or Open-end Investment Companies
☐ i. Close-end Investment Companies
☐ j. Common Trust Funds or Issuers and other similar entities
☐ k. Transfer Companies and other similar entities
☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
☐ m. Entities administering of otherwise dealing in valuable objects
☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

☐ a. acting as a formation agent of juridical persons
☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

☐ a. managing of client money, securities or other assets
☐ b. management of bank, savings or securities accounts
☐ c. organization of contributions for the creation, operation or management of companies
☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☐ None of the above

Describe nature of business:	

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its ○ Yes ● No

GENERAL INFORMATION SHEET

STOCK CORPORATION

=================================== PLEASE PRINT LEGIBLY ===================================

CORPORATE NAME: METRO GLOBAL HOLDINGS CORPORATION

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	2,000,000,000	1.00	2,000,000,000.00
	TOTAL	2,000,000,000	TOTAL P	2,000,000,000.00

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
		COMMON	1,995,389,897	238,499,301	1.00	1,995,389,897.00	99.769%
		TOTAL	1,995,389,897	TOTAL	TOTAL P	1,995,389,897.00	99.769%

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
		Common	4,610,103	4,610,103	1.00	4,610,103.00	0.231%
Percentage of Foreign Equity :		TOTAL	4,610,103	TOTAL	TOTAL P	4,610,103.00	0.231%
				TOTAL SUBSCRIBED	P	2,000,000,000.00	100%

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
		COMMON	1,995,389,987	1.00	1,995,389,987.00	99.769%
				Less: Subscription Receivable	1,446,819.00	
		TOTAL	1,995,389,987	TOTAL P	1,993,943,078.00	99.[illegible]

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
		Common	4,610,103	1.00	4,610,103.00	0.231%
		TOTAL	4,610,103	TOTAL P	4,610,103.00	0.231%
				TOTAL PAID-UP P	1,998,553,181.00	100%

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET

STOCK CORPORATION

================================ PLEASE PRINT LEGIBLY ================================

CORPORATE NAME: METRO GLOBAL HOLDINGS CORPORATION

DIRECTORS / OFFICERS

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. ROBERT JOHN L. SOBREPEÑA 2601-Renaissance 3000 Condominium, Meralco Avenue, Pasig City	Filipino	N	C	M	Y	Chairman of the Board & CEO	EC/C CG/M	106-808-899
2. FERDINAND T. SANTOS 802 Renaissance 1000 Condominium, Meralco Avenue, Pasig City	Filipino	N	M	M	Y	President & Chief Risk Officer	EC,CG, BRO/M	106-807-161
3. NOEL M. CARIÑO # 45 Cabbage St., Valle Verde, Pasig City	Filipino	N	M	M	Y	N/A	EC/M	106-809-774
4. JAIME M. CACHO 14 Westport Street, Parkridge Estate, Antipolo Rizal	Filipino	N	M	M	Y	SVP for Project Development	N/A	1004-592-872
5. FRANCISCO C. GONZALEZ 36Cordillera cor.Road I, Mandaluyong City	Filipino	N	I	M	Y	N/A	AC,RPT/C, EC,CG, BRO/M	122-930-742
6. ROBERTO S. ROCO 124 Don Bosco St., Better Living Subdivision, Paranaque City	Filipino	N	M	M	Y	N/A	A/C,RPT/M	105-744-632
7. RAFAEL PEREZ DE TAGLE, JR. 5 Acropolis Drive, Acropolis Subdivision, Q.C.	Filipino	N	M	M	Y	EVP for Ops & Director for IR	CG/M	106-808-530
8. JOSE WILFRIDO M. SUAREZ 35 SMC Valle Verde V, Pasig City	Filipino	N	I	M	Y	N/A	CG,BRO/C AC,RPT/M	156-395-433
9. ALICE ODCHIGUE-BONDOC 3-G Avalon Condominium, 95 Xavier Street, Greenhills, San Juan City	Filipino	N	N	F	Y	Senior Vice President-Good Governance Compliance Officer & Corporate Information Officer & Asst. Corporate Secretary	CG,BRO/M	165-723-045
10 ATTY. GILBERT RAYMUND T. REYES 5/F SEDDCO 1/Bldg. Rada cor. Legaspi St. Makati City	Filipino	N	N	M	Y	Corporate Secretary	None	106-973-867
11. RAMON G. JIMENEZ 233 Bacood St. Sta. Mesa, Manila	Filipino	N	N	M	N	VP-CFO & Alternate Corporate Information	RPT/M	136-736-502
12. SYLVIA M. HONDRADE 347 Kaimitoville, Valle Verde II, Ugong, Pasig City	Filipino	N	N	F	N	VP-Bus. Dev't & Special Projewcts	None	134-346-336
13. SOLITA S. ALCANTARA B9 L15 Pentley Park Subdivision, Antipolo City	Filipino	N	N	F	N	VP-Bus. Chief Audit Executive	AC/M	106-808-856
14 SOCORRO G. ROCO 124 Don Bosco St., Better Living Subdivision, Paranaque City	Filipino	N	N	F	N	VP for Records Management	None	106-808-602
15 KHATERYN M. BENITEZ 16-C Golden Street, Gloria 1 Subd., Tandang Sore, Quezon City	Filipino	N	N	F	N	VP for Human Resources	None	209-913-667

INSTRUCTIONS:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.

FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.

FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.

FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.

FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.

FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET
STOCK CORPORATION

================================ PLEASE PRINT LEGIBLY ================================

CORPORATE NAME: METRO GLOBAL HOLDINGS CORPORATION

TOTAL NUMBER OF STOCKHOLDERS: | NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: P 3,981,834,944 (2021)

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
1. FIL-ESTATE MANAGEMENT, INC. Filipino Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City	Common	1,757,690,196	1,757,690,196.00	87.88%	1,757,690,196.00	000-053-966
	TOTAL	1,757,690,196	1,757,690,196.00			
2. PCD NOMINEE CORPORATION Filipino G/F Makati Stock Exchange Bldg. 8775 Ayala Avenue, Makati City	Common	100,564,633	100,564,633.00	5.03%	100,564,633.00	004-774-849-000
	TOTAL	100,564,633	100,564,633.00			
3. ALAKOR SECURITIES CORPORATION Filipino 9/F Quad Alpha Centrum 125 Pionee St., Mandaluyong City	Common	66,778,253	66,778,253.00	3.34%	66,778,253.00	008-461-151-000
	TOTAL	66,778,253	66,778,253.00			
4. BANK OF COMMERCE-TRUST SRVC GRP Filipino 14/F Phil. First Bldg., Ayala Ave., Makati City	Common	43,211,800	43,211,800.00	2.16%	43,211,800.00	47000-440-440
	TOTAL	43,211,800	43,211,800.00			
5. BANK OF COMMERCE-TG-91-07-001C Filipino 12/F Bankers Centre, Ayala Ave., Makati City	Common	6,383,000	6,383,000.00	0.32%	6,383,000.00	47000-440-440
	TOTAL	6,383,000	6,383,000.00			
6. PCD NOMINEE CORPORATION Non-Filipino G/F Makati /stock Exchange Bldg., 8775 Ayala Avenue, Makati City	Common	3,663,129	3,663,129.00	0.18%	3,663,129.00	004-774-849-000
	TOTAL	3,663,129	3,663,129.00			
7. FIL-ESTATE MANAGEMENT, INC. Filipino Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City	Common	2,059,998	2,059,998.00	0.10%	2,059,998.00	000-053-966
	TOTAL	2,059,998	2,059,998.00			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			1,980,351,009.00	99.02%	1,980,351,009.00	
		TOTAL AMOUNT OF PAID-UP CAPITAL				

* Subject to securing tax clearance on transfer of shares

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

=================================== PLEASE PRINT LEGIBLY ==================================

CORPORATE NAME: METRO GLOBAL HOLDINGS CORPORATION

TOTAL NUMBER OF STOCKHOLDERS: | NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: P 3,981,834,944 (2021)

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8. BANCOMMERCE INVESTMENT CORP. Filipino 4/F Bankers Center Bldg., 6764 Ayala Avenue, Makati City	Common	2,000,000	2,000,000.00	0.10%	2,000,000.00	004-781-234
	TOTAL	2,000,000	2,000,000.00			
9. ATTY. GILBERT T. REYES ITF VARIOUS STOCKHOLDERS Filipino 5/f seddco I Bldg. Rada cor. Legaspi St.Makati City	Common	1,903,514	1,903,514.00	0.10%	456,695.00	106-973-867
	TOTAL	1,903,514	1,903,514			
10. NOEL M. CARINO Failipino 45 Cabbage St. Valle Verde V, Pasig City	Common	1,506,500	1,506,500.00	0.08%	1,506,500.00	321-000-440-440
	TOTAL	1,506,500	1,506,500.00			
11. JAIME BORROMEO Failipino 97 East Maya Dr., Philam, Quezon City	Common	1,000,000	1,000,000.00	0.05%	1,000,000.00	220-637-633
	TOTAL	1,000,000	1,000,000.00			
12. LEROY TAN Filipino Unit 903 Paragon Plaza Condominium, EDSA cor. Pioneer St., Mandaluyong City	Common	675,500	675,500.00	0.03%	675,500.00	125-978-182
	TOTAL	675,500	675,500.00			
13. BELSON SECURITIES, INC. Filipino 4/F Belson House, 271 EDSA, Mandaluyong City	Common	664,000	664,000.00	0.03%	664,000.00	000-154-219-000
	TOTAL	664,000	664,000.00			
14. ROBERTO N. DEL ROSARIO Filipino Unit 308, Citty Tower Condo, 810 aurora Blvd., Cubao, Q.C.	Common	628,000	628,000.00	0.03%	628,000.00	134-856-504
	TOTAL	628,000	628,000.00			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			8,377,514.00	0.42%	6,930,695.00	
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: *For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.*

GENERAL INFORMATION SHEET

STOCK CORPORATION

=================================== PLEASE PRINT LEGIBLY ===================================

CORPORATE NAME: METRO GLOBAL HOLDINGS CORPORATION

TOTAL NUMBER OF STOCKHOLDERS:	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: P 3,981,834,944 (2021)

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15. CFC CORPORATION Filipino URC Bldg. 101 E. Rodriguez Ave., Pasig City	Common	576,000	576,000.00	0.03%	576,000.00	000-283-513
	TOTAL	576,000	576,000.00			
16. THE HOLDERS OSF THE UNEXCHANGES SAN JOSE OIL Other Alien	Common	556,839	556,839.00	0.03%	556,839.00	N/A
	TOTAL	556,839	556,839.00			
17. DAVID GO SECURITIES CORP. Filipino Suite 309, Federation Center Bldg. Muelle de Binondo, Manila	Common	414,200	414,200.00	0.02%	414,200.00	000-320-855-000
	TOTAL	414,200	414,200.00			
18. TRENDLINE SECURITIES CORPORTION Filipino Room 507, Tylana Bldg. Plaza Lorenzo Ruiz, Binondo, Manila	Common	382,500	382,500.00	0.02%	382,500.00	000-333-526
	TOTAL	382,500	382,500.00			
19. ALBERT &/OR JEANIE MENDOZA Filipino 1145 Aguilar St., Tondo Manila	Common	300,000	300,000.00	0.02%	300,000.00	000-333-526 139-569-952
	TOTAL	300,000	300,000.00			
20. PATRICIA S. BORJA Filipino 9/F Quad alpha Centrum 125 Pioneer St., Mandauyong City	Common	200,000	200,000.00	0.01%	200,000.00	124-294-226
	TOTAL	200,000	200,000.00			
21 OTHERS (Indicate the number of the remaining stockholder-1,892)	Common	8,841,938	8,841,938.00	0.44%	8,841,938.00	N/A
	TOTAL	8,841,938	8,841,938.00			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			11,271,477.00	0.56%		
GRAND TOTAL AMOUNT OF SUBSCRIBED CAPITAL			2,000,000,000.00	100.00%		
TOTAL AMOUNT OF PAID-UP CAPITAL					11,271,477.00	
GRAND TOTAL AMOUNT OF PAID-UP CAPITAL					1,998,553,181.00	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: METRO GLOBAL HOLDINGS CORPORATION

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS	None	N/A
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	None	N/A
1.3 LOANS/ CREDITS/ ADVANCES	None	N/A
1.4 GOVERNMENT TREASURY BILLS	None	N/A
1.5 OTHERS	None	N/A

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
None	N/A	N/A

3. TREASURY SHARES None	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
	N/A	N/A

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: NONE

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR: None

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH	N/A	N/A
5.2 STOCK	N/A	N/A
5.3 PROPERTY	N/A	N/A
TOTAL	P	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD: None

DATE	NO. OF SHARES	AMOUNT
N/A	N/A	N/A

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	B S P	I C
TYPE OF LICENSE/REGN.	Certificate of Permit to Offer Securities for Sale	None	None
DATE ISSUED:	9/27/1983	N/A	N/A
DATE STARTED OPERATIONS:	N/A	N/A	N/A

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT
P545,380.62	10	0	10

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **ATTY. ALICE ODCHIGUE-BONDOC**, Assistant Corporate Secretary of **METRO GLOBAL HOLDINGS CORPORATION** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this JAN 17 2023 in PASIG CITY.

ATTY. ALICE ODCHIGUE-BONDOC
(Signature over printed name)

SUBSCRIBED AND SWORN TO before me in PASIG CITY on JAN 17 2023 by affiant who personally appeared before me and exhibited to me her Integrated Bar of the Philippines ID No. 014624 as competent evidence of identity.

NOTARY PUBLIC

FERDINAND D. AYAHAO
Notary Public
For Pasig City, Pateros and San Juan City
Appointment No.108 (2022-2023) valid until 12/31/2023
MCLE Exemption No.VII-BEP003719 valid until 04/14/25
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001
TIN 123-011-785; PTR 0161665; 01/06/23; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel.+632-86314090

DOC. NO. 445
PAGE NO. 90
BOOK NO. 31
SERIES OF 2023.

BENEFICIAL OWNERSHIP DECLARATION

SEC REGISTRATION NUMBER: 9142

CORPORATE NAME: METRO GLOBAL HOLDINGS CORPORATION

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
I	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP[1] / % OF VOTING RIGHTS[2]	TYPE OF BENEFICIAL OWNER[3] Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
SOBREPEÑA, ROBERT JOHN LAMB	2601-A Reniassance 3000, Meralco Avenue, Pasig City	Filipino	December 27, 1954	106-808-899	27.83%	D	A
SANTOS, FERDINAND TOBIS	802 Renaissance 3000 Condominium, Meralco Ave. Pasig City	Filipino	September 15, 1950	106-807-161	23.40%	D	B
CARINO, NOEL MABUNAY	45 Cabbage St Valle Verde V, Pasig City	Filipino	November 13, 1954	109-809-774	23.44%	D	B

Note: This page is not for uploading on the SEC iView.

[1] For Stock Corporations.
[2] For Non-Stock Corporations.
[3] For Stock Corporations.

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

The following document has been received:

Receiving: Mark Jason Orcine
Receipt Date and Time: January 27, 2023 11:47:18 AM

Company Information

SEC Registration No.: 0000106295
Company Name: FIL-ESTATE MGT. INC.
Industry Classification: K74140
Company Type: Stock Corporation

Document Information

Document ID: OST10127202388898675
Document Type: General Information Sheet
Document Code: GIS
Period Covered: December 07, 2022
Submission Type: No meeting held
Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2022

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS TOGETHER WITH AN AFFIDAVIT OF NON-HOLDING OF MEETING WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE SCHEDULED ANNUAL MEETING (AS PROVIDED IN THE BY-LAWS). HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE CORPORATE SECRETARY OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT ONLY THE AFFECTED PAGE OF THE GIS THAT RELATES TO THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED BY THE CORPORATE SECRETARY OF THE CORPORATION. THE PAGE OF THE GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURRED OR BECAME EFFECTIVE.
5. SUBMIT FIVE (5) COPIES OF THE GIS TO THE CENTRAL RECEIVING SECTION, GROUND FLOOR, SEC BLDG., EDSA, MANDALUYONG CITY. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER WITH A STANDARD COVER PAGE. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE. CORPORATIONS SUBMITTING A COPY OF THEIR GIS ONLINE OR VIA INTERNET SHALL SUBMIT ONE (1) HARD COPY OF THE GIS, TOGETHER WITH A CERTIFICATION UNDER OATH BY ITS CORPORATE SECRETARY THAT THE COPY SUBMITTED ONLINE CONTAINS THE EXACT DATA IN THE HARD COPY.
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

=============================== PLEASE PRINT LEGIBLY ===================================

CORPORATE NAME: FIL-ESTATE MANAGEMENT, INC.			**DATE REGISTERED:**
BUSINESS/TRADE NAME: FIL-ESTATE MANAGEMENT, INC.			8/5/1982
SEC REGISTRATION NUMBER: 106295			**FISCAL YEAR END:** DECEMBER 31
DATE OF ANNUAL MEETING PER BY-LAWS: 1st Wedneday of December of each year			**CORPORATE TAX IDENTIFICATION NUMBER (TIN)** 000-053-966-000
ACTUAL DATE OF ANNUAL MEETING: NO MEETING			**WEBSITE/URL ADDRESS:** None
COMPLETE PRINCIPAL OFFICE ADDRESS: Mezzanine Floor, Renaisance Tower, Meralco Avenue, Pasig City			**E-MAIL ADDRESS:**
COMPLETE BUSINESS ADDRESS: Mezzanine Floor, Renaisance Tower, Meralco Avenue, Pasig City			**FAX NUMBER:** 86336248
OFFICIAL E-MAIL ADDRESS	ALTERNATE E-MAIL ADDRESS	OFFICIAL MOBILE NUMBER	ALTERNATE MOBILE NUMBER
corpsec@femigroup.com	sfts@femigroup.com	+639178587113	+63917507205
NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: GLENARD R. BETONIO		**SEC ACCREDITATION NUMBER (if applicable):**	**TELEPHONE NUMBER(S):** 86336205
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: To carry on the business of a management company in all its elements, aspects and details, etc.		**INDUSTRY CLASSIFICATIO** N/A	**GEOGRAPHICAL CODE:** N/A

=============================== INTERCOMPANY AFFILIATIONS ===================================

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
N/A		
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
Please see attached Annex "A"		

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET

STOCK CORPORATION

=============================== PLEASE PRINT LEGIBLY ===============================

Corporate Name: FIL-ESTATE MANAGEMENT, INC.

A. **Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365)** ○ Yes ◉ No

Please check the appropriate box:

1.
- ☐ a. Banks
- ☐ b. Offshore Banking Units
- ☐ c. Quasi-Banks
- ☐ d. Trust Entities
- ☐ e. Non-Stock Savings and Loan Associations
- ☐ f. Pawnshops
- ☐ g. Foreign Exchage Dealers
- ☐ h. Money Changers
- ☐ i. Remittance Agents
- ☐ j. Electronic Money Issuers
- ☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.
- ☐ a. Insurance Companies
- ☐ b. Insurance Agents
- ☐ c. Insurance Brokers
- ☐ d. Professional Reinsurers
- ☐ e. Reinsurance Brokers
- ☐ f. Holding Companies
- ☐ g. Holding Company Systems
- ☐ h. Pre-need Companies
- ☐ i. Mutual Benefit Association
- ☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.
- ☐ a. Securities Dealers
- ☐ b. Securities Brokers
- ☐ c. Securities Salesman
- ☐ d. Investment Houses
- ☐ e. Investment Agents and Consultants
- ☐ f. Trading Advisors
- ☐ g. Other entities managing Securities or rendering similar services
- ☐ h. Mutual Funds or Open-end Investment Companies
- ☐ i. Close-end Investment Companies
- ☐ j. Common Trust Funds or Issuers and other similar entities
- ☐ k. Transfer Companies and other similar entities
- ☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
- ☐ m. Entities administering of otherwise dealing in valuable objects
- ☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:
- ☐ a. acting as a formation agent of juridical persons
- ☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- ☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- ☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:
- ☐ a. managing of client money, securities or other assets
- ☐ b. management of bank, savings or securities accounts
- ☐ c. organization of contributions for the creation, operation or management of companies
- ☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☐ None of the above

Describe nature of business:

B. **Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its** ○ Yes ◉ No

GENERAL INFORMATION SHEET

STOCK CORPORATION

==================================== PLEASE PRINT LEGIBLY ==================================

CORPORATE NAME: FIL-ESTATE MANAGEMENT, INC.

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	2,000,000	10.00	20,000,000.00
	TOTAL	2,000,000	TOTAL P	20,000,000.00

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	10	COMMON	1,437,500		10.00	14,375,000.00	1.00
		TOTAL	1,437,500	TOTAL	TOTAL P	14,375,000.00	

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
None							
Percentage of Foreign Equity :		TOTAL		TOTAL	TOTAL P		
					TOTAL SUBSCRIBED P	14,375,000.00	

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	10	COMMON	1,437,500	10.00	14,375,000.00	10.00
		TOTAL	1,437,500	TOTAL P	14,375,000.00	

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
None		N/A				
		TOTAL		TOTAL P		
				TOTAL PAID-UP P	14,375,000.00	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET
STOCK CORPORATION

================================ PLEASE PRINT LEGIBLY ================================

CORPORATE NAME: FIL-ESTATE MANAGEMENT, INC.

DIRECTORS / OFFICERS

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. ROBERT JOHN L. SOBREPEÑA 2601-Renaissance 3000 Condominium, Meralco Avenue, Pasig City	Filipino	Y	C	M	Y	Chairman	N/A	106-808-899
2. FERDINAND T. SANTOS 802 Renaissance 1000 Condominium, Meralco Avenue, Pasig City	Filipino	Y	M	M	Y	President	N/A	106-807-161
3. NOEL M. CARIÑO # 45 Cabbage St., Valle Verde, Pasig City	Filipino	Y	M	M	Y	Vice Chairman	N/A	106-809-774
4. FRIEDRICH L. SANTOS 802 Renaissance 1000 Condominium, Meralco Avenue, Pasig City	Filipino	N	M	M	Y	N/A	N/A	186-688-824
5. RAFAEL PEREZ DE TAGLE, JR. 5 Acropolis Drive, Acropolis Subdivision, Q.C.	Filipino	N	M	M	Y	EVP for Operations	N/A	106-808-530
6. BOBBY B. CAFÉ U3516 Makati Exec. Tower 2, Dela Rosa cor. Medina Sts. Makati City	Filipino	N	M	M	Y	N/A	N/A	130-033-076
7. ALICE ODCHIGUE-BONDOC 3-G Avalon Condominium, 95 Xavier Street, Greenhills, San Juan City	Filipino	N	N	F	N	VP for Corporate & Legal Affairs	N/A	165-723-045
8. RAMON G. JIMENEZ 233 Bacood St. Sta. Mesa, Manila	Filipino	N	N	M	N	VP for Accounting	N/A	136-736-502
9. SYLVIA HONDRADE 347 Kaimitoville, Valle Verde II, Ugong, Pasig City	Filipino	N	N	F	N	VP-Bus. Dev't & Special Projects	N/A	134-346-336
10. SOLITA S. ALCANTARA B9 L15 Bentley Park Subdivision, Antipolo City	Filipino	N	N	F	N	VP for Internal Audit	N/A	106-803-856
11. SOCORRO G. ROCO 124 Don Bosco St., Better Living Subdivision, Paranaque City	Filipino	N	N	F	N	VP for Treasury	N/A	106-808-602
12. KHATERYN M. BENITEZ 16-C Golden Street, Gloria 1 Subd., Tandang Sore, Quezon City	Filipino	N	N	F	N	VP for Human Resources	N/A	209-913-667

INSTRUCTIONS:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET
STOCK CORPORATION

================================ PLEASE PRINT LEGIBLY ================================

CORPORATE NAME: FIL-ESTATE MANAGEMENT, INC.

TOTAL NUMBER OF STOCKHOLDERS: 10 | NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH: 7

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: P 8,344,673,063 (2021 Tentative FS)

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED			% OF OWNER-SHIP	AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)			
1. ROBERT JOHN L. SOBREPEÑA	C	455,208	4,552,080.00	32%	4,552,080.00	106-808-899
Filipino						
2601-Renaissance 3000 Condominium, Meralco Avnue, Pasig City						
	TOTAL	**455,208**	**4,552,080.00**			
2. ATTY. FERDINAND T. SANTOS	C	382,668	3,826,680.00	26%	3,826,680.00	106-807-161
Filipino						
802 Renaissance 1000 Condominium, Meralco Avenue, Pasig City						
	TOTAL	**382,668**	**3,826,680.00**			
3. NOEL M. CARINO	C	383,332	3,833,320.00	27%	3,833,320.00	106-809-774
Filipino						
#45 Cabbage St., Valle Verde, Pasig City						
	TOTAL	**383,332**	**3,833,320.00**			
4. ENRIQUE A. SOBREPENA, JR.	C	1	10.00	0%	10.00	101-876-813
Filipino						
31606 Master's Drive, Manila Southwoods, Carmona Cavite						
	TOTAL	**1**	**10.00**			
5. FRIEDRICH L. SANTOS	C	368	3,680.00	0%	3,680.00	186-688-824
Filipino						
Active Bldg., Sen. Gil Puyat Ave., Makati City						
	TOTAL	**368**	**3,680.00**			
6. RAFAEL PEREZ DE TAGLE, JR.	C	1	10.00	0%	10.00	106-808-899
Filipino						
5 Acropolis Drive, Acropolis Subdivision, Quezon City						
	TOTAL	**1**	**10.00**			
7. SABRINA T. SANTOS	C	297	2,970.00	0%	2,970.00	106-211-220
Filipino						
B11 L5, Signal Corps, Subdivision, San Isidro, Cainta Rizal						
	TOTAL	**1**	**2,970.00**			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			**12,218,750.00**	85.00%	**12,218,750.00**	
		TOTAL AMOUNT OF PAID-UP CAPITAL				

* Subject to securing tax clearance on transfer of shares

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

=================================== PLEASE PRINT LEGIBLY ==================================

CORPORATE NAME: FIL-ESTATE MANAGEMENT, INC.

TOTAL NUMBER OF STOCKHOLDERS: 10 | NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:7

TOTAL ASSETS BASED ON LATEST AUDITED FS: P 8,344,673,063 (2021 Tentative FS)

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8. BOBBY B. CAFÉ* Filipino CAP Bldg. I, 126 Amorsolo cor. Herrera Sts, Legaspi Village, Makati City	C	1	10.00	0%	10.00	130-033-076
	TOTAL	1	10.00			
9. BANK OF COMMERCE as Trustee for CAP Phils., Inc. Banker's Centre, Ayala Ave., Makati City	C	196,022	1,960,220.00	14%	1,960,220.00	321-000-440-440
	TOTAL	1	1,960,220.00			
10. BANK OF COMMERCE as Trustee for Comprehensive, Annuity Plans & Pension Corp. Banker's Centre, ayala Ave., Makati City	C	19,602	196,020.00	1%	196,020.00	321-000-440-440
	TOTAL	1	196,020.00			
11. nothing follows						
12.						
13.						
14.						
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			2,156,250.00	15.00%		
TOTAL AMOUNT OF PAID-UP CAPITAL					2,156,250.00	
GRAND TOTAL AMOUNT OF PAID-UP CAPITAL					14,375,000.00	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: *For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.*

GENERAL INFORMATION SHEET
STOCK CORPORATION

=================================== PLEASE PRINT LEGIBLY ===================================

CORPORATE NAME: FIL-ESTATE MANAGEMENT, INC.						
TOTAL NUMBER OF STOCKHOLDERS: 10			NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH: 7			
TOTAL ASSETS BASED ON LATEST AUDITED FS: P8,344,673,063 (2021 Tentative FS)						
STOCKHOLDER'S INFORMATION						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15.						
16.						
17.						
18.						
19.						
20						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL						
GRAND TOTAL AMOUNT OF SUBSCRIBED CAPITAL						
TOTAL AMOUNT OF PAID-UP CAPITAL						
GRAND TOTAL AMOUNT OF PAID-UP CAPITAL						
INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS						

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: FIL-ESTATE MANAGEMENT, INC.

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS	4.4 Billion	N/A
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	None	N/A
1.3 LOANS/ CREDITS/ ADVANCES	None	N/A
1.4 GOVERNMENT TREASURY BILLS	None	N/A
1.5 OTHERS	None	N/A

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
None	N/A	N/A

3. TREASURY SHARES None	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
	N/A	N/A

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: NONE

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR: None

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH	N/A	N/A
5.2 STOCK	N/A	N/A
5.3 PROPERTY	N/A	N/A
TOTAL	P	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD: None

DATE	NO. OF SHARES	AMOUNT
N/A	N/A	N/A

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	B S P	I C
TYPE OF LICENSE/REGN.	None	None	None
DATE ISSUED:	N/A	N/A	N/A
DATE STARTED OPERATIONS:	N/A	N/A	N/A

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT
P0.00 (As of 2021)	2	25	27

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **ATTY. ALICE ODCHIGUE-BONDOC**, Assistant Corporate Secretary of **FIL-ESTATE MANAGEMENT, INC.** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this JAN 2 7 2023 in PASIG CITY.

ATTY. ALICE ODCHIGUE-BONDOC
(Signature over printed name)

PASIG CITY

SUBSCRIBED AND SWORN TO before me in ________________ on JAN 2 7 2023 by affiant who personally appeared before me and exhibited to me her Integrated Bar of the Philippines ID No. 014624 as competent evidence of identity.

FERDINAND D. AYAHAO
Notary Public
NOTARY PUBLIC
For Pasig ... San Juan City
Appointment No. 108 (2022-2023) valid until 12/31/2023
MCLE Exemption No. VII-... valid until 04/14/25
Roll No. 46377; ...
TIN 123-011-785; ... Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel. +632-86314090

DOC. NO. 66;
PAGE NO. 15;
BOOK NO. 78
SERIES OF 2023.

BENEFICIAL OWNERSHIP DECLARATION

SEC REGISTRATION NUMBER: 106295

CORPORATE NAME: FIL-ESTATE MANAGEMENT, INC

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
I	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP[1] / % OF VOTING RIGHTS[2]	TYPE OF BENEFICIAL OWNER[3] Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
SOBREPEÑA, ROBERT JOHN LAMB	2601-A Reniassance 3000, Meralco Avenue, Pasig City	Filipino	December 27, 1954	106-808-899	31.67%	D	A
SANTOS, FERDINAND TOBIS	802 Renaissance 3000 Condominium, Meralco Ave. Pasig City	Filipino	September 15, 1950	106-807-161	26.62%	D	A
MARCELO, MAMERTO	802 Renaissance 3000 condominium, Meralco Ave. Pasig City	Filipino	July 17, 1938	114-021-098	13.64%	D	A
CARINO, NOEL MABUNAY	45 Cabbage St. Valle Verde V, Pasig City	Filipino	November 13, 1954	109-809-774	26.67%	D	A

Note: This page is not for uploading on the SEC iView.

[1] For Stock Corporations.

[2] For Non-Stock Corporations.

[3] For Stock Corporations.

FIL-ESTATE MANAGEMENT, INC.			
List of Subsidiaries/Affiliates			
No.	**Corporation**	**SEC Registration No.**	**Address**
1	CJH Development Corporation	A199606631	Camp John Hay, John Hay Special Economic Zone, Loakan Road, Baguio City
2	Fitera Systems, Inc.	CS201322894	Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City
3	Priority Alpha Systems Solutions, Inc.	CS201214276	Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City
4	Metro Countrywide Corporation	CS201222631	Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City
5	Metro Countrywide Holdings, Inc.	CS201302483	Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City
6	Metro Global Holdings Corporation	0000009412	Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City
7	Club Leisure Management Corp.	A199807599	Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City
8	Mt. Zion Memorial, Inc.	A199907675	Km 23 Eastwood, Barangay Dolores, Taytay, Rizal
9	Fil-Estate Marketing Associates, Inc.	0000173308	Renaissance Tower, Meralco Avenue, Pasig City
10	Fil-Estate Network, Inc.	AS92004797	Renaissance Tower, Meralco Avenue, Pasig City
11	Fil-Estate Sales, Inc.	AS93000081	Renaissance Tower, Meralco Avenue, Pasig City
12	Fil-Estate Realty Sales, Associates, Inc.	AS96000870	Renaissance Tower, Meralco Avenue, Pasig City
13	Fil-Estate Realty Corp.	0000097030	Renaissance Tower, Meralco Avenue, Pasig City
14	Magna Ready Mix Concrete Corporation	AS094-00010037	6/FRenaissance Tower, Meralco Avenue, Pasig City
15	Metro Solar Power Solutions, Inc.	CS201622607	Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City
16	Philippine Highlands Coffee Farms, Inc.	CS201710328	Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City
17	Metro Global Renewable Energy Corporation	CS2001806074	Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City
18	Smart Probe, Inc.	CS00606381	Panorama Building No. 3, Calamba Premier International Park, Batino, Calamba, Laguna
19	MRT Development Corporation	AS95-8031	6th Flr. Belvedere Tower, San Miguel Ave., Ortigas Center, Pasig City
20	RFS Holdings Corporation	CS201840877	1st Floor, Renaissance Tower, Meralco Avenue, Pasig City

ANNEX "I"

No.	Date of Disclosure	Subject
1	December 2, 2022	An advisory on the results of the Annual Stockholders' Meeting: a. Approval of the Minutes of the Annual Meeting of the Stockholders held on 14 December 2021; b. Approval of the Annual Report and Audited Financial Statements for the calendar year ended 31 December 2021; c. Confirmation and Ratification of all actions, contracts, resolutions and proceedings made and entered into by Management and/or Board of Directors and various committees constituted pursuant to the Code of Corporate Governance for the year 2020 up 9 December 2022; d. Approval of the appointment of Isla Lipana & Co. as the Company's Independent External Auditor;
2	December 9, 2022	An advisory on the results of the Organizational Meeting: a. Re-election/Re-appointment of the Chairman of the Board and Officers of the Company; b. Re-appointment of Stock Transfer Agent and Registrar, BDO Unibank, Inc. - Trust Investments Group Securities Services & Corporate Agencies; c. Constitution of Board Committees
3	March 8, 2023	An advisory on the results of the Board Meeting: a. Resetting of the Annual Stockholders’ Meeting from March 2, 2022 to July, 2023 at 10:00 AM via Remote Communication;

4	April 17, 2023	An advisory on the results of the Board Meeting: a. Approval of the 2022 Audited Financial Statement and Report
5	May 11, 2023	An advisory on the results of the Board Meeting: a. Approval of the Audited Financial Statement Report prepared by the Corporation's Accounting Department for the Quarterly Period ended March 30, 2023
6	May 24, 2023	An advisory on the results of the Board Meeting: a. Approval of the 2022 Integrated Annual Corporate Governance Report
7	August 4, 2023	An advisory on the re-setting of 2023 Annual Shareholdings meeting to 12 October 2023
8	August 8, 2023	An advisory on the results of the Board Meeting: Approval of the Audited Financial Statement Report prepared by the Corporation's Accounting Department for the Quarterly Period ended June 30, 2023

ANNEX "J"

BENEFICIAL OWNERSHIP DECLARATION

SEC REGISTRATION NUMBER: 106295
CORPORATE NAME: FIL-ESTATE MANAGEMENT, INC

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