# **COVER SHEET**

FORM SEC -IS

Nature of Application			SEC Reg	gistration No.	
Preliminary Information	on Statement	J	9 1 4 2		
	(Com	npany's Full Name)			
METROG	LOBAL	HOLDIN	GS		
C  0  R  P  0  R  A	TION				
				<u></u>	
Principal Office (No./Street/Barangay/City/Town/Province					
MEZZANI	NEFLO	0 R , R E	NAISSA	NCE	
T   O   W   E   R   ,	MERALC	0 A V E .	, PASI	G	
•	company's 1 tings.com CONTACT PE person <u>MUST be a Directo</u>			Nobile Number 09176587113 Corporation Mobile Number	
Name of Contact Person Ramon G. Jimenez		Address Tele lobalholdings.com	(02)86336205	09178290808	
	Contact F	Person's Address			
Mez	zzanine Floor, Renaiss		Avenue, Pasig City		
Assigned Processor	To be accomp	blished by CRMD Per	rsonnel Date	Signature	
Document I.D. Received by Corporate Filing	and Records Division (CF				
Forwarded to					
Green L	ate Partnership Registratio Lane Unit al Analysis and Audit Divis ng Unit				

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METRO GLOBAL HOLDINGS CORP.

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

#### NOTICE OF ANNUAL STOCKHOLDERS' MEETING

#### TO ALL STOCKHOLDERS

Please be informed that the Annual Stockholders' Meeting of **METRO GLOBAL HOLDINGS CORPORATION** (the "Corporation") shall be held on **31 July 2025** (Thursday) **at 10:00 am (Philippine time) to be conducted virtually** and attendance at the meeting will be via remote communication only. Only shareholders of record as of 25 June 2025 shall be entitled to notice and to vote at the said meeting.

The Agenda of the Meeting is as follows:

- 1. Proof of Due Notice of Meeting and Determination of Quorum
- 2. Approval of the Minutes of the Annual Shareholder's meeting held on 25 July 2024
- 3. Presentation of Chairman's Report
- 4. Approval of the Audited Financial Statements for the calendar year ended December 31, 2024
- 5. Ratification of Acts and Resolutions of the Board, Board Committees and Officers since the 2024 Annual Shareholder's Meeting
- 6. Election of Directors (including Independent Directors)
- 7. Approval of the 1-year term extension of the Independent Director Francisco C. Gonzalez
- 8. Election of External Auditor
- 9. Other matters
  - (a) Ratification by Stockholders of 2012 Debt to Equity Conversion of P800 million Debt to Fil-Estate Management, Inc. into 800 million shares of the Corporation
  - (b) Ratification by Stockholders of 2014 Debt to Equity Conversion of P200.15 million Debt to Fil-Estate Management, Inc. into 200.15 million shares of the Corporation
  - (c) Approval by Shareholders of Waiver of Public Offering of the 800 million and 200.15 million shares issued to parent company, Fil-Estate management, Inc.
- 10. Adjournment

Stockholders who intend to participate in the Meeting via remote communication must register by filling up the form that can be downloaded at <u>https://metroglobalholdings.com/asmregister/</u> and submit the required information on or before 21 July 2025. Online registration will be open from 01 July 2025 at 9:00am to 29 July 2025 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 <u>investor-relations@metroglobalholdings.com</u> or send a hard copy to the Office of the Corporate Secretary at Poblador Bautista & Reyes Law Offices, 5<sup>th</sup> Floor, SEDCCO I Building, 120 Rada Street, Legaspi

Village, Makati City not later than 21 July 2025. Validation of proxies shall be held on 25 July 2025 at 9:00am at the Office of the Corporate Secretary. Sample formats of the proxy forms for individual and corporate stockholders are available in the Corporation's Definitive Information Statement or can be downloaded at <a href="https://metroglobalholdings.com/PROXY-2025.pdf">https://metroglobalholdings.com/PROXY-2025.pdf</a>.

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 <u>investor-relations@metroglobalholdings.com</u> with subject "MGH 2025 ASM Question/Comment." Stockholders who will participate in the Meeting are encouraged to send their questions or comments on or before 29 July 2025. 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 31 March 2025 and other documents related to the 2025 Annual Stockholders Meeting are posted in the Company's website at <u>https://metroglobalholdings.com</u> and PSE EDGE portal via <u>https://edge.pse.com.ph</u>.

Pasig City, June 05, 2025

METRO GLOBAL HOLDINGS CORPORATION By:

Kilbert R. J. 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 <a href="https://metroglobalholdings.com/asmregister/">https://metroglobalholdings.com/asmregister</a> 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 25 July 2024, 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 2024 will be reported.

V. Approval of the Audited Financial Statement for the year ended 31 December 2024

The Chief Financial Officer will report on results of financial performance of the Company for the year ended 31 December 2024

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

The actions of the Board and its committees were those taken since the annual stockholders' meeting on 25 July 2024 until 31 May 2025. 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. Approval of the 1-year term extension of Independent Director Francisco C. Gonzalez

The resolution of the Board of Directors, upon recommendation of Management, to extend the term of Independent Director Francisco C. Gonzalez for another year, whose 2024-2025 Board term ends this forthcoming Annual Meeting, will be submitted for approval by the stockholders.

IX. 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.

X. Other matters

The following matters will be submitted for approval by the stockholders:

- (a) Ratification by Stockholders of 2012 Debt to Equity Conversion of P800 million debt to Fil-Estate Management, Inc. into 800 million shares of the Corporation
- (b) Ratification by Stockholders of 2014 Debt to Equity Conversion of P200.15 million debt to Fil-Estate Management, Inc. into 200.15 million shares of the Corporation
- (c) Approval by Shareholders of Waiver of Public Offering of the 800 million and 200.15 million shares issued to parent company, Fil-Estate Management, Inc.

# XI. 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 2025 Annual Stockholders' Meeting of the Company to be held on 31 July 2025, at 10:00am, and at any adjournment or postponement thereof, for the purpose of acting on the following matters:

ITEM	SUBJECT		ACTION	1
NO.		FOR	AGAINST	ABSTAIN
2	Approval of the previous Minutes held on 25 July 2024			
4	Approval of the Audited Financial Statements for the calendar year ended 31 December 2024			
5	Ratification of Corporate Acts and Resolutions since the 2024 Annual Meeting			
6	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			
7	Approval of the 1-year term extension of the Independent Director Francisco C. Gonzalez			
8	Election of External Auditor			
9	Other Matters			
	<ul> <li>(a) Ratification of Stockholders of 2012 Debt to Equity Conversion of P800 million Debt to Fil- Estate Management, Inc. into 800 million shares of the Corporation</li> </ul>			
	(b) Ratification of Stockholders of 2014 Debt to Equity Conversion of P200.15 million			

	Debt to Fil-Estate Management, Inc. into 200.15 million shares of the Corporation		
	(c) Approval by Shareholders of Waiver of Public Offering of the 800 million and 200.15 million shares issued to parent company, Fil-Estate Management, Inc.		
10	Adjournment		

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

A scanned copy of this Proxy Form, with other supporting documents, should be sent via email to <u>investor-relations@metroglobalholdings.com</u> not later than 21 July 2025. A hard copy of the Proxy Form should be delivered to the Office of the Corporate Secretary at Poblador Bautista & Reyes Law Office, 5<sup>th</sup> Floor, SEDDCO Building, Rada Street, Legaspi Village, Makati City. Validation of proxies shall be held on 25 July 2025 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 **31 July 2025** 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

 \_X\_Preliminary Information Statement

 \_\_\_\_\_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: Philippines

 4. SEC Identification Number:
 9142

1. Check the appropriate box

- 5. BIR Tax Identification Code:
   000-194-408-000
- Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Philippines
   Address of Principal Office
   Postal Code
- 7. Registrant's Telephone Number,<br/>including area code:(+632) 8633-6205
- 8. Date, time and place of the meeting of security holders

Date:	31 July 2025, Thursday
Time:	10:00 a.m. (Philippine time)

- Place: Virtually via ZOOM\_\_\_\_\_\_\_ 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 <u>https://metroglobalholdings.com/</u> beginning on 08 July 2025.

**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	2,750,000,000	
		-

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

Yes [ V ] 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. <u>GENERAL INFORMATION</u>

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

The 2025 Annual Meeting of the Company will be held on **31 July 2025**, **Thursday at 10:00am** virtually via ZOOM. Section 2, Article V of the latest Amended By-Laws of the Company approved by the Securities and Exchange Commission last 11 September 2024 provides that the Annual regular meetings shall be held on the last Thursday of July of each year, if such day is not a holiday, otherwise, it shall be on the first working day after such date. This year, the last Thursday of July falls on 31 July 2025, which day is not a holiday. Hence, this is the date the Board of Directors has set as the Annual Meeting date for 2025.

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 <u>https://metroglobalholdings.com/</u> and the PSE Edge portal via <u>https://edge.pse.ph.</u>

The approximate date in which the Information Statement is first to be sent or given to security holders is on or before 8 July 2025.

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 31 May 2025

Common Shares 2,750,000,000

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

All stockholders of record as of 25 June 2025 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 31 May 2025:

		Name of			
		Beneficial			
	Name and address of	Owner and			
Title	<b>Record Owner and</b>	Relationship			
Of	relationship with	with Record		No. of Shares	Percent (Based
Class	Issuer	Owner	Citizenship	Held	on total shares)

Common	Fil-Estate	Fil-Estate	Filipino	2,454,750,194	89.26%
	Management, Inc. <sup>1</sup>	Management,			
	Mezzanine Floor	Inc. <sup>2</sup>			
	Renaissance Tower,				
	Meralco Ave. Ortigas,				
	Pasig City				

Fil-Estate Management, Inc. ("FEMI") is the parent of the Company. FEMI is owned by the following persons: Robert John L. Sobrepeña (32%), Atty. Ferdinand T. Santos (27%), Noel M. Cariño (27%) and Mamerto Marcelo (14%) as Receiver for Bank of Commerce as Trustee for CAP Philippines, Inc. and Bank of Commerce as Trustee for CAP Philippines, Inc. and Bank of Commerce as Trustee for Comprehensive Annuity Plans and Pension Corporation.

# ii. Security Ownership of Management

As of 31 May 2025, the Directors and Executive Officers of the Corporation are the beneficial owners of the following number of shares:

				Percent of Class (of total
Title of		Amount and Nature of		outstanding
Class	Name of Beneficial Owner	Beneficial Ownership	Citizenship	shares)
Directors				
Common	Robert John L. Sobrepena	241,000 (direct)	Filipino	.009%
Common	Ferdinand T. Santos	1,000 (direct)	Filipino	.000%
Common	Noel M. Cariño	1,506,500 (direct)	Filipino	.055%
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	1,903,514 (indirect)	Filipino	.069%
	shareholders			
Common	Solita S. Alcantara	15,000 (direct)	Filipino	.001%
	TOTAL	3,669,018		.133%

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

<sup>&</sup>lt;sup>1</sup> Fil-Estate Management, Inc. ("FEMI") is the parent of the Company.

 $<sup>^2</sup>$  Under the By-Laws and Revised Corporation Code, the FEMI Board has the power to decide how FEMI's shares 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 31 May 2025

Security	Total Outstanding Share	Shares Owned by Foreigners	Percent of Ownership
Common Shares	2,750,000,000	59,559,103	2.1658%

# Item 5. Directors and Executive Officers as of 31 May 2025

The following are the incumbent directors and officers of the Company:

Name of Directors	Age	Nationality	Position
Robert John L. Sobrepena	70	Filipino	Chairman of the Board & CEO
Ferdinand T. Santos	74	Filipino	President and Director
Noel M. Carino	70	Filipino	Director
Jaime M. Cacho	69	Filipino	SVP for Project
			Development/Director
Rafael Perez de Tagle Jr.	70	Filipino	EVP for Operations and Director
			for Investor Relations
			Officer/Director
Roberto R. Roco	72	Filipino	Director
Alice Odchigue-Bondoc	58	Filipino	SVP for Good Governance/
			Compliance Office/Corporate
			Information Officer/Assistant
			Corporate Secretary/Director
Francisco C. Gonzalez	81	Filipino	Independent Director
Jose Wilfrido M. Suarez	75	Filipino	Independent Director
Name of Officers			

Ramon G. Jimenez	65	Filipino	Chief Financial Officer
Gilbert Raymund T. Reyes	67	Filipino	Corporate Secretary
Solita S. Alcantara	64	Filipino	VP-Chief Audit Executive
Sylvia M. Hondrade	56	Filipino	VP-Business Development &
			Special Projects
Socorro G. Roco	64	Filipino	VP- Records Management
Khateryn M. Benitez	47	Filipino	VP-Human Resources

The Nomination Committee performs its functions concurrently as part of the Corporate Governance Committee and is composed of its Chairman, Jose Wilfrido M. Suarez and its members, Francisco C. Gonzalez, Robert John L. Sobrepena, Atty. Ferdinand T. Santos, Rafael Perez de Tagle Jr and Atty. Alice Odchigue-Bondoc.

Upon the recommendation of the Company's Nomination Committee as required by the Company's Manuel on Corporate Governance, the following are nominated for reelection to the position stated below for the year 2024-2025 to hold office as such for one year or until their successors shall have been duly gualified.

	Name of Nominee	Position
1.	Robert John L. Sobrepena	Regular Director
2.	Ferdinand T. Santos	Regular Director
3.	Noel M. Carino	Regular Director
4.	Jaime M. Cacho	Regular Director
5.	Rafael Perez de Tagle, Jr.	Regular Director
6.	Roberto S. Roco	Regular Director
7.	Alice Odchigue-Bondoc	Regular Director
8.	Francisco C. Gonzalez	Independent Director
9.	Jose Wilfrido M. Suarez	Independent Director

In the meeting of the Board of Directors held on 25 April 2025, the Board of Directors upon recommendation of Management, approved the 1-year extension of the term of Independent Director Francisco C. Gonzalez whose 2024-2025 Board term ends this forthcoming Annual Meeting, subject to necessary approval of the shareholders. Serving as lead independent director, Mr. Gonzalez' expertise in the energy industry has proven invaluable in providing input and guidance in the overall strategy of the Company. The independent and objective perspective provided by Mr. Gonzalez during Board meetings, especially during Committee meetings is indispensable, especially as the Company is in the process of implementing its new businesses into solar and renewable energy projects through newly-acquired subsidiary, Metro Solar Power Solutions, Inc. Mr. Gonzalez is an Electrical Engineer by profession and is the CEO of his own company engaged in installation of electrical systems and electrical power generation facilities. Metro Solar has an existing 65megawatt solar power energy project in Pillal, Rizal.

The business experience for the past five years of each of our nominee directors is set forth below.

# (a) Board of Directors

Name, Age, Citizenship	Position	Period Served	Professional and Business Experience
Robert John L. Sobrepeña, 70, Filipino	Chairman of the Board	1996 to present	He is the Chairman of the Board and Chief Executive Officer 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, 74, Filipino	President	1996 to present	He is the President and Chief Risk Officer of the Company. He is also the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., MRT Development Corporation, Monumento Rail Transit Corporation, MGHC Royalty Holdings, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. He is a Director of Global-Estate Resorts, Inc. He is also the Chairman of the Forest Hills Golf & Country Club, Inc. He is likewise the President of Fairways & Bluewater Resort, Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He is 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 (2 <sup>nd</sup> Placer).
Noel M. Cariño, 70, 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, 69, Filipino	Director	2018 to present	He is also the SVP for Project Development of the Company. He 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., 70, Filipino	Director	2000 to present	He is also the Executive Vice-President and 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. and Camp John Hay Golf 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, 72, 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, 58, Filipino	Director	2004 to present	She is the 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, 81, Filipino	Independent Director	2012 to present	He is 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, 75, Filipino	Independent Director	2022 to present	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 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) Other Executive Officers Who Are Not Directors

Ramon G. Jimenez, 65, 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, 67, 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, 64, 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, 56, 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, 63, 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, 47, 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
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 selfregulatory 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 31 May 2025 is

composed of Jose Wilfrido M. Suarez as Chairman, and its members, Francisco C. Gonzalez, Robert John L. Sobrepena, Atty. Ferdinand T. Santos, Rafael Perez de Tagle Jr and Atty. Alice Odchigue-Bondoc 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.

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 April 2025, 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 31 May 2025, 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.

Related party transactions are fully disclosed in the Notes to Financial Statements as the Company adopts a policy of full disclosure. Transactions are entered on an arm's length basis and on similar terms to those from unrelated third parties.

During the regular conduct of its business, the Company and its subsidiaries, have entered into transactions with parent company, associates and subsidiaries including various reimbursements of expenses, dividend receivables, due to a stockholder on payment of the Company's bank loans, advances from various affiliates on settlement of outstanding obligations and deposit for future stock subscription on the Company's stocks. Transaction prices of these transactions are determined based on the prevailing market price and the agreement of the parties.

These transactions are reflected in the Company's Statements of Financial Position under Due from related parties, Due to a stockholder, Due to other related parties and Deposit for future stock subscription.

Disclosed in Note 16 of the Financial Statements are the amounts of the transactions with its related parties, including the amounts of outstanding balances of the reporting dates.

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 31 May 2025 owns 89.26% 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

					Other Annual	
	Name & Position	Year	Salary	Bonus	Compensation	Total
	The CEO and four (4) most highly					
	compensated executive officers	2025	19.1			
Α.		(Estimated)	Million	-	-	18.6 Million
	Robert John L. Sobrepena, Chief					
	Executive Officer					
	Atty. Ferdinand T. Santos,					
	President					
	Rafael R. Perez de Tagle, Jr.,					
	Executive Vice President					
	Atty. Alice O. Bondoc, SVP for					
	Good Governance, Compliance					
	Officer					
	Ramon G. Jimenez, Chief					
	Financial Officer					
	All other officers and directors as	2025	5.7			
В.	group unnamed	(Estimated)	Million	-	-	0.50 Million

	Name & Position	Year	Salary	Bonus	Other Annual Compensation	Total
А.	The CEO and four (4) most highly compensated executive officers	2024	19.3 Million	-	-	19.3 Million

	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					
В.	All other officers and directors as group unnamed	2024	6.6 Million	-	-	6.6 Million

А.	Name & Position The CEO and four (4) most highly compensated executive officers Robert John L. Sobrepena, Chief	Year 2023	Salary 13.4 Million	Bonus -	Other Annual Compensation -	Total 13.4 Million
	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					
В.	All other officers and directors as group unnamed	2023	0.39 Million	_		0.39 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 P19.3 million in 2024, P13.4 million in 2023 and P14.9 million in 2022. The projected total annual compensation for the current year is P19.1 million.

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

For the year 2024, the total per diem received by the non-executive directors and independent directors of the Group, are as follows:

Total	Php	160,000
Jose Wilfrido M. Suarez*	Wilfrido M. Suarez*	
Roberto S. Roco		45,000
Francisco C. Gonzalez*	45,00	
Noel M. Cariño	Php	20,000
Name of Director	Amou	nt (in Php)

*\*independent director* 

Below is a summary of the Board Meetings held in 2024 up to May 31, 2025 and the attendance of the Directors to such meetings.

	DATES OF BOARD MEETINGS														ATTENDANCE				
		February 23, 2024		May 13, 2024	May 28, 2024	May 29, 2024	June 20, 2024	July 1, 2024	July 17, 2024	July 25, 2024	August 14, 2024	er 8, 2024	March 10, 2025	April 10, 2025	April 25, 2025	May 2, 2025	May 13, 2025	May 26, 2025	RATE/ PERCENTAGE
Robert John L. Sobrepeño	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	100.0%
Ferdinand T. Santos	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	100%
Noel M. Cariño	A	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	A	Р	A	Р	Р	83.3%
Jaime M. Cacho	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	100%
Francisco C. Gonzalez	A	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	94.4%
Roberto S. Roco	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	A	Р	Р	94.4%
Rafael R. Perez De Tagle	Р	Р	Р	Р	Р	Р	Р	A	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	94.4%
Jose Wilfrido M. Suarez	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	100%
Alice Odchigue-Bondoc	Р	Р	Р	Р	Р	Р	Р	Р	Р	P	Р	Р	Р	Р	Р	Р	Р	P	100%

# (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 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 Changein-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, 2024 and 2023 is the accounting firm of Isla Lipana & Co.

There was not an event in the last five years where Isla Lipana & Co., 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 two (2) calendar years for professional services rendered by the external auditors are ₱680,000.00 and ₱650,000 for years 2024 and 2023 (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 P24,948 in 2024 and P20,710 in 2023, 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 are as follows (as of 31 May 2025):

- 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

# A. 800,000,000 Shares Debt to Equity Transaction

# (a) Amount of Securities to be Issued

To be presented for ratification by the stockholders is the issuance on 16 December 2013 of 800,000,000 common shares (the "Shares") to its parent company, Fil-

Estate Management, Inc. (FEMI) under a debt to equity conversion arrangement with an issue price of P1.00 per share ("Transaction Price") as validated by a fairness opinion issued by MIB Capital Corporation, hereto attached as Annex "H".

#### (b) Description of the Registrant's Securities

At the time of the issuance of the Shares on 16 December 2013, the authorized capital stock of the Company was TWO BILLION PESOS (P2,000,000,000.00) divided into TWO BILLION SHARES (2,000,000,000) with a par value of P1.00 per share. Out of the then P2,000,000,000 capital stock, 999,850,000.00 were issued and outstanding. The 800,000,000 shares for debt to equity conversion were to be issued out of the unissued capital stock. Stockholders of the Company enjoy full dividend and voting rights in accordance with the Corporation Code, pro-rata to their shareholdings. Pursuant to Seventh Article of the Company's Article of Incorporation, unless otherwise determined by the Board of Directors, no holder of the capital stock of any class which the Company may issue or sell whether out of the shares of the Company acquired by it after the issue thereof. There are no class of shares which enjoy preferential rights as to voting or dividends.

# (c) Nature and approximate amount of consideration received or to be received by the Company and amounts devoted for each purpose

On 18 April 2011, the Company and Fil-Estate Management, Inc. (FEMI) executed a Subscription Agreement whereby FEMI agreed to subscribe to 600,000,000 shares of the Company with a total subscription price of P600,000,000.00 and in consideration of the subscription, FEMI agreed to assign to the Company cash advances of FEMI to the Company in the amount of P600,000,000.00.

Also on 12 April 2012, the Company and Fil-Estate Management, Inc. (FEMI) executed a second Subscription Agreement whereby FEMI agreed to subscribe to 200,000,000 shares of the Company with a total subscription price of P200,000,000.00 and in consideration of the subscription, FEMI agreed to assign to the Company cash advances of FEMI to the Company in the amount of P200,000,000.00.

In implementation of the two (2) foregoing Subscription Agreements, the Company and FEMI executed a Deed of Assignment of Shares of Stock on 3 July 2012 whereby in consideration for the settlement of a portion of the outstanding obligations of the Company to its shareholder, FEMI, to the amount of P800,000,000.00, the Company assigned to FEMI all rights, title and interest to 800,000,000 common shares at par value of P1.00 per share amounting to P800,000,000.00.

On August 6, 2013, the Company applied with the Securities and Exchange Commission (SEC) for Confirmation of Valuation of the assignment of advances of

FEMI in favor of the Company in the aggregate amount of P800,000,000.00 in payment for subscription to unissued common shares of the Company totalling 800,000,000 common shares worth P800,000,000.00 based on the Company's par value of One Peso (P1.00) per share.

On 16 December 2013, the SEC approved the valuation of the advances of P800,000,000.00 as full payment for the additional subscription of 800,000,000 shares with a par value of P1.00 per share.

On March 24, 2014, the company issued the Stock Certificate on the 800,000,00 common shares to FEMI upon issuance by the Bureau of Internal Revenue of the Certificate of authority to Register the 800,000,000 common shares in the name of FEMI.

The Company will submit for ratification of the shareholders the issuance of the 800,000,000 common shares to FEMI at the Annual Meeting scheduled on 24 July 2025. The Company has applied at the Philippine Stock Exchange for additional listing of the 800,000,000 common shares subject of the foregoing debt-to-equity transaction which application remains pending subject to the ratification of the debt to equity transaction by the shareholders in the forthcoming Annual Meeting.

# (d) If the securities are to be issued other than in a public offering for cash, state reasons for the proposed authorization or issuance and the general effect upon the rights of existing shareholders.

The issuance of 800,000,000 common shares to FEMI paid through assignment of debts to the Company amounting to P800,000,000.00 arising from the debt-to-equity transaction will give the Company a healthier balance sheet with an increase in its equity and decrease in its liabilities. Also, the issuance of 800,000,000 common shares to FEMI results to an increase in the ownership of FEMI in the Company:

	Before		After			
Principal Shareholders	Number of shares	%	Number of shares	%		
Fil-Estate Management, Inc.	759,600,197	75.97	1,559,600,197	86.65		
PCD Nominee Corporation (Filipino)	100,684,033	10.07	100,684,033	5.59		

Moreover, the issuance of the Shares in favor of FEMI will have the effect of diluting the ownership interest of the existing shareholders of the Company to the extent of such Shares, and such existing shareholders shall have no pre-emptive rights on such shares.

# (e) Valuation

MIB Capital Corporation was engaged by the Company for the issuance of the independent fairness opinion and valuation for the debt to equity conversion

transaction. MIB Capital was selected for its experience, competency and track record of providing professional services in the Philippines for valuation and purchase price allocation and financial model preparation and review, among others.

The Company and all parties to the transaction have no special instruction or imposed no limitation to MIB Capital that will compromise the independence of the latter and will invalidate the fairness opinion.

MIB Capital deemed the NET ASSET VALUE method to be the most appropriate in valuing the Company. MIB Capital used both the Company's interim and audited financial statements immediately prior to the decision to convert the amount owed by the Company to FEMI into equity.

Controlling Shareholders of FEMI	Number of Shares Held	%
Robert John L. Sobrepeña	455,208	32
Ferdinand T. Santos	382,668	26
Noel M. Cariño	383,332	27

# (f) Ownership Structure of FEMI

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 MGHC.

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 MGHC.

Mr. Noel M. Cariño, is also a Director of FEMI and also owns about one-third (1/3) of the outstanding shareholdings of FEMI, and is also a director of MGHC.

# (g) Exception to the conduct of Public Offering

The Company has applied for additional listing of the 800,000,000 common shares issued to FEMI. The Transaction Price is set at P1.0 per share. In accordance with the PSE's Consolidated Listing and Disclosure Rules (PSE Rules), Article V, Part A, Section 2, the PSE shall not permit the listing of shares subscribed by related parties unless a rights or public offering is first undertaken. However, Article V, Part A, Section 3 (b) of the PSE Rules provides that the PSE shall grant exceptions to the rights or public offering requirement:

"ARTICLE V ADDITIONAL LISTING OF SECURITIES PART A GENERAL

XXX

SECTION 3. Exceptions to the Rights or Public Offering Requirement – The Exchange shall grant an exception to the rights or public offering requirement in the following cases:

(b) The requirement for a rights or public offering is waived by a majority vote of the outstanding shares held by the minority shareholders present or represented in the stockholders' meeting;

# XXX."

The Company will request for the approval of the majority of the minority shareholders in the Annual Meeting scheduled on 24 July 2025 for the waiver of the requirement to conduct a rights or public offering of the 800,000,000 common shares issued to the Company's parent company, FEMI, arising from the assignment to the Company of the P800,000,000.00 debt owed by the Company to FEMI into equity.

# B. 200,150,000 Shares Debt to Equity Transaction

# (a) Amount of Securities to be Issued

To be presented for ratification by the stockholders is the issuance on 4 September 2014 of 200,150,000 common shares (the "Shares") to its parent company, Fil-Estate Management, Inc. (FEMI) under a debt to equity conversion arrangement with an issue price of P1.00 per share ("Transaction Price") as validated by a fairness opinion issued by MIB Capital Corporation, hereto attached as Annex "J".

# (b) Description of the Registrant's Securities

At the time of the issuance of the Shares on 4 September 2014, the authorized capital stock of the Company was TWO BILLION PESOS (P2,000,000,000.00) divided into TWO BILLION SHARES (2,000,000,000) with a par value of P1.00 per share. Out of the then P2,000,000,000.00 capital stock, 1,799,850,000.00 were issued and outstanding. The 200,150,000 shares for debt to equity conversion were to be issued out of the unissued capital stock. Stockholders of the Company enjoy full dividend and voting rights in accordance with the Corporation Code, pro-rata to their shareholdings. Pursuant to Seventh Article of the Company's Article of Incorporation, unless otherwise determined by the Board of Directors, no holder of the capital stock of the Company shall be entitled, as a matter of right, to purchase or subscribe for any stock of any class which the Company may issue or sell whether out of the shares of the Company acquired by it after the issue

thereof. There are no class of shares which enjoy preferential rights as to voting or dividends.

# (c) Nature and approximate amount of consideration received or to be received by the Company and amounts devoted for each purpose

On 20 August 2014, the Company and Fil-Estate Management, Inc. (FEMI) executed a Deed of Assignment whereby in consideration for the settlement of a portion of the outstanding obligations of the Company to its shareholder, FEMI, to the amount of P200,150,000.00, the Company assigned to FEMI all rights, title and interest to 200,150,000 common shares at par value of P1.00 per share amounting to P200,150,000.00.

On August 19, 2014, the Company applied with the Securities and Exchange Commission (SEC) for Confirmation of Valuation of the assignment of advances of FEMI in favor of the Company in the aggregate amount of P200,150,000.00 in payment for subscription to unissued common shares of the Company totalling 200,150,000 common shares worth P200,150,000.00 based on the Company's par value of One Peso (P1.00) per share.

On 4 September 2014, the SEC approved the valuation of the advances of P200,150,000.00 as full payment for the additional subscription of 200,150,000 shares with a par value of P1.00 per share.

On September 22, 2014, the company issued the Stock Certificate on the 200,1500,00 common shares to FEMI upon issuance by the Bureau of Internal Revenue of the Certificate of authority to Register the 200,150,000 common shares in the name of FEMI.

The Company will submit for ratification of the shareholders the issuance of the 200,150,000 common shares to FEMI at the Annual Meeting scheduled on 24 July 2025. The Company has applied at the Philippine Stock Exchange for additional listing of the 200,150,000 common shares subject of the foregoing debt-to-equity transaction which application remains pending subject to the ratification of the debt to equity transaction by the shareholders in the forthcoming Annual Meeting.

# (d) If the securities are to be issued other than in a public offering for cash, state reasons for the proposed authorization or issuance and the general effect upon the rights of existing shareholders.

The issuance of 200,150,000 common shares to FEMI paid through assignment of debts to the Company amounting to P200,150,000.00 arising from the debt-to-equity transaction will give the Company a healthier balance sheet with an increase in its equity and decrease in its liabilities. Also, the issuance of 200,150,000 common shares to FEMI results to an increase in the ownership of FEMI in the Company:

	Before		After	
Principal Shareholders	Number of shares	%	Number of shares	%
Fil-Estate Management, Inc.	1,559,600,197	86.65	1,759,750,197	87.99
PCD Nominee Corporation (Filipino)	100,646,633	5.59	100,684,033	5.03

Moreover, the issuance of the Shares in favor of FEMI will have the effect of diluting the ownership interest of the existing shareholders of the Company to the extent of such Shares, and such existing shareholders shall have no pre-emptive rights on such shares.

# (e) Valuation

MIB Capital Corporation was engaged by the Company for the issuance of the independent fairness opinion and valuation for the debt to equity conversion transaction. MIB Capital was selected for its experience, competency and track record of providing professional services in the Philippines for valuation and purchase price allocation and financial model preparation and review, among others.

The Company and all parties to the transaction have no special instruction or imposed no limitation to MIB Capital that will compromise the independence of the latter and will invalidate the fairness opinion.

MIB Capital deemed the NET ASSET VALUE method to be the most appropriate in valuing the Company. MIB Capital used both the Company's interim and audited financial statements immediately prior to the decision to convert the amount owed by the Company to FEMI into equity.

# (f) Ownership Structure of FEMI

Controlling Shareholders of FEMI	Number of Shares Held	%
Robert John L. Sobrepeña	455,208	32
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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 MGHC.

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 MGHC.

Mr. Noel M. Cariño, is also a Director of FEMI and also owns about one-third (1/3) of the outstanding shareholdings of FEMI, and is also a director of MGHC.

# (g) Exception to the conduct of Public Offering

The Company has applied for additional listing of the 200,150,000 common shares issued to FEMI. The Transaction Price is set at P1.0 per share. In accordance with the PSE's Consolidated Listing and Disclosure Rules (PSE Rules), Article V, Part A, Section 2, the PSE shall not permit the listing of shares subscribed by related parties unless a rights or public offering is first undertaken. However, Article V, Part A, Section 3 (b) of the PSE Rules provides that the PSE shall grant exceptions to the rights or public offering requirement:

"ARTICLE V ADDITIONAL LISTING OF SECURITIES

PART A GENERAL

XXX

SECTION 3. Exceptions to the Rights or Public Offering Requirement – The Exchange shall grant an exception to the rights or public offering requirement in the following cases:

(c) The requirement for a rights or public offering is waived by a majority vote of the outstanding shares held by the minority shareholders present or represented in the stockholders' meeting;

XXX."

The Company will request for the approval of the majority of the minority shareholders in the Annual Meeting scheduled on 24 July 2025 for the waiver of the requirement to conduct a rights or public offering of the 200,150,000 common shares issued to the Company's parent company, FEMI, arising from the assignment to the Company of the P200,150,000.00 debt owed by the Company to FEMI into equity.

# (b) 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.

# 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, 2024 and December 31, 2023 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 1st Quarter Interim Financial Statements for the Quarter ended 31 March 2025 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, 2024 and December 31, 2023, 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, 2025.

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, 2024, are expected to be present at the Annual Stockholders' Meeting scheduled on 24 July 2025. 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 shares.

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  $\mathbf{P}0.01$  in 1997 to  $\mathbf{P}1.00$  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 Parent 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 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 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-ininterest, 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 Fil-Estate Management, Inc. subscribing to the said increase to the extent of P750,000,000.00.

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.

In line with the new business directions the Parent Company intends to pursue, the Parent Company has entered into a Memorandum of Agreement on November 22, 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 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, 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.

On February 1, 2024, the Securities and Exchange Commission approved the increase in the Authorized Capital Stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with a par value of P1 per share.

Likewise, on February 1, 2024, the Securities and Exchange Commission approved the amendment of its Articles of Incorporation to allow the Parent Company to invest in business engaged in the development of renewable energy through solar farms, wind farms, waste-to-energy and other projects.

With the acquisition by the Company of the 100% equity in Metro Solar last April 8, 2024, the Company is well underway in a position to pursue its new business directions to engage into development of solar, wind and other renewable energy projects.

Last September 11, 2024, the Securities and Exchange Commission (SEC) approved the change of business address of the Company to Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City (from Mandaluyong City) to comply with SEC's Memorandum Circular No. 16, Series of 2014.

### 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 and 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 interest in MRTHI and MRTHI. The combined investment in these two holding companies represents 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.

# **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 Parent Company foresees a potential need for substantial funding within the next twelve (12) months, due to the finalization and completion of the transactions related to the acquisition of FEMI's equity interest of in Metro Solar. Metro Solar's primary project is the development of the 65-megawatt solar farm project in Pililia, Rizal, with construction expected to begin within the same timeframe. To finance this project, the Parent Company intends to secure the necessary funds to through private placements and the eventual resumption of trading of its shares on the PSE.

The Company does not have plans on 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. 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. OTHER MATTERS

### Item 15. Action with Respect to Reports

(a) Reading and Approval of the Minutes of the 2024 Annual Stockholders' Meeting

The minutes of the previous meeting of the stockholders held on 25 July 2024 will be presented for approval at the 2025 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 25 July 2024. The Company received votes in person and by proxy a total of 91.26% of common shares in favor of the approval of the Minutes of the Annual Meeting of Stockholders held on 25 July 2024.
- (ii) The stockholders approved the Annual Report and Audited Financial Statements of the Company for the calendar year ended 31 December 2024. The Company received votes in person and by proxy a total of 91.26% of common shares in favor of the approval of the Audited Financial Statements of the Company for the calendar year ended 31 December 2023.
- (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 from October 12, 2023 up to 25 July 2024. The Company received votes in person and by proxy a total of 91.26% 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 from October 12, 2023 up to 25 July 2024.
- (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 91.26% 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 2024 to 2025.
- (v) The stockholders elected the following directors for the ensuing year 2024 to 2025.

A copy of the draft Minutes of the 2024 Annual Stockholders' Meeting was uploaded in the Corporation's website within five (5) business days from the date of the Annual Meeting. 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 2024

A report on the significant business transactions undertaken and achievements by the Corporation in 2024 will be presented to the stockholders. Included in the Management Report is the Corporation's performance for the year 2024 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 2024 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

None.

# Item 18. Other Proposed Action

- (a) Election of Directors, including the Independent Directors, for year 2024-2025;
- (b) Election of external auditor;
- (c) 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"
- (d) Approval of the 1-year term extension of Independent Director Francisco C. Gonzalez

- (e) Ratification by Stockholders of 2012 Debt to Equity Conversion of P800 million debt to Fil-Estate Management, Inc. into 800 million shares of the Corporation
- (f) Ratification by Stockholders of 2014 Debt to Equity Conversion of P200.15 million debt to Fil-Estate Management, Inc. into 200.15 million shares of the Corporation
- (g) Approval by Shareholders of Waiver of Public Offering of the 800 million and 200.15 million shares issued to parent company, Fil-Estate Management, Inc.

# 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.

Agenda Item No.	Subject Matter	Vote Required
2	Reading and approval of the Minutes of the previous meeting and action therein	Affirmative vote of majority of the stockholders present.
4	Approval of Annual Management Report and Audited Financial Statements for the period ending 31 December 2024	Affirmative vote of majority of the stockholders present.
5	Ratification of All Acts, Transactions and Resolutions by the Board of Directors, Board Committees and Management	Affirmative vote of majority of the stockholders present.
6	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

(b) Required Voting:

		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.
7	Approval of 1-year term extension of Independent Director Francisco C. Gonzalez	Affirmative vote of majority of the stockholders present.
8	Appointment of External Auditor	Affirmative vote of majority of the stockholders present
9	(a) Ratification by Stockholders of 2012 Debt to Equity Conversion of P800 million debt to Fil-Estate Management, Inc. into 800 million shares of the Corporation	Affirmative vote of majority of the stockholders present
	(b) Ratification by Stockholders of 2014 Debt to Equity Conversion of P200.15 million debt to Fil-Estate Management, Inc. into 200.15 million shares of the Corporation	Affirmative vote of majority of the stockholders present

(c) Approval by Shareholders	Affirmative	vote	of
of Waiver of Public Offering	majority	of	the
of the 800 million and 200.15	stockholders p	resent	
million shares issued to			
parent company, Fil-Estate			
Management, Inc.			

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.

(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 June 25, 2025 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 form that found by filling up the can be at https://metroglobalholdings.com/asmregister/ Online registration will be open from June 26, 2025 at 9:00 A.M. to July 22, 2025 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 July 21, 2025 to cast their votes. Stockholders may

also vote by proxy by sending a scanned copy of a duly accomplished Proxy Form by email to <u>investor-relations@metroglobalholdings.com</u> not later than July 18, 2025. The hard copy of the signed Proxy Form should be delivered to: The Corporate Secretary, Poblador, Bautista, Reyes Law Offices, 5<sup>th</sup> Floor, SEDECO Building 1, 120 Rada Street, Legaspi Village, Makati City, 1229, not later than July 18, 2025.

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 2024 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, 1st 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 1st Quarter Financial Statements (SEC Form 17-Q) of 2025 (**Annex "A-4"**).

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

### Review for the period ended March 31, 2025

(Comparative balances for the 3-month period ended March 31, 2025 and March 31, 2024)

# Summary of Consolidated Statements of Income

-	March 31 2025	March 31 2024	Increase (Decrease)	%
Revenue	20,198,238	9,324,374	10,873,864	117%
General & Administrative Expenses	13,632,657	17,271,908	-3,639,251	-21%
Income (loss) before income tax	6,565,581	-7,947,534	14,513,115	183%
Provision for income tax	-	-	-	0%
Net income (loss)	6,565,581	-7,947,534	14,513,115	183%
Other comprehensive income	271,179	585,810	-314,631	-54%
Net Income	6,836,760	-7,361,724	14,198,484	193%

# **Results of Operations**

# <u>Revenue</u>

The Group's total revenue as of the first quarter of 2025 amounted P20.2 million, which includes Depot Royalty Income of P7.8 million, share in the net equity earnings of MRT Devco of P11.6 million and interest income of P736 thousand (mainly from Metro Solar's receivables from Solrev).

# **Expenses**

The General and Administrative (G&A) expenses decreased by P3.6 million or 21% from P17.3 million in March 31, 2024 to P13.6 million as of March 31, 2025.

# **Financial Condition**

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

# Summary of Consolidated Statements of Financial Position

	March 31 2025	March 31 2024	Increase (Decrease)	%
Current Assets				
Cash	9,289,450	12,795,862	-3,506,412	-27%
Non-trade and other receivables	52,125,594	48,527,832	3,597,762	7%
Other current assets	7,149,505	4,728,762	2,420,743	51%
Total current assets	68,564,549	66,052,456	2,512,093	4%
Non-current Assets				
Due from related parties	892,803,244	893,160,516	-357,272	0%
Financial assets at fair value through OCI	3,061,052,149	3,060,917,145	135,004	0%
Investment in associates	31,901,063	7,474,608	24,426,455	327%
Property and equipment	45,165,662	40,581,107	4,584,555	11%
Right-of-use asset	330,632,133	345,157,081	-14,524,948	-4%
Intangible asset, net	623,748	651,065	-27,317	-4%
Deferred tax asset	3,996,071	2,922,673	1,073,398	37%
Total non-current assets	4,366,174,070	4,350,864,195	15,309,875	0%
Total Assets	4,434,738,618	4,416,916,652	17,821,966	0%
Current Liabilities				
Accrued expenses and other current liabilities	429,544,219	423,288,755	6,255,464	1%
Mortgage payable, current portion	850,305	-	850,305	100%
Lease liability, current portion	190,941	171,848	19,093	11%
Total current liabilities	430,585,465	423,460,603	7,124,862	2%
Non-current Liabilities				
Due to a stockholder	255,469,626	252,854,961	2,614,665	1%
Due to other related parties	243,167,099	241,936,561	1,230,538	1%
Mortgage payable, non-current	611,868	-	611,868	100%
Lease liability, net of current portion	13,185,388	13,446,158	-260,770	-2%
Total non-current liabilities	512,433,981	508,237,680	4,196,301	1%
Total Liabilities	943,019,446	931,698,283	11,321,163	1%
Stockholders' Equity				
Share capital	2,748,553,181	2,748,553,181	0	0%
Additional paid-in capital	589,120,804	589,120,804	0	0%
Deposit for future stock subscription	102,000,000	102,000,000	0	0%
Fair value reserve	247,652	112,648	135,004	120%
Retained earnings	51,797,534	45,431,737	6,365,797	14%
Total stockholders' equity	3,491,719,171	3,485,218,370	6,500,801	0%
Total Liabilities and Stockholders' Equity	4,434,738,618	4,416,916,652	17,821,966	0%

# Total Assets

The Group's Total Assets as of March 31, 2025 amounted ₱4,435 million as compared to ₱4,417 million as of March 31, 2024.

Current Assets, which include cash, non-trade and other receivables and other current assets, amounted to P68.6 million as of the 1st Quarter ended, March 31, 2025, compared to P66.05 million as of the same period of 2024. Non-current Assets, which include the cost of the Group's investments in the MRT companies and receivables from related parties, amounted to P4,366.2 million as of 1st Quarter ended, March 31, 2025, compared to P4,350.9 million as of the same period of 2024.

# Total Liabilities

The Group's Total Liabilities increased to ₱943 million as at March 31, 2025, compared to ₱932 million as of the same period of 2024.

Current Liabilities also increased to ₱431 million as of 1st Quarter ended March 31, 2025 compared to ₱423 million as of the same period in year 2024. Non-current Liabilities, which is comprised mainly of advances received from FEMI, MRTDC and other related companies, also increased to ₱512.4 million as of 1st Quarter ended March 31, 2025, compared to ₱508.2 million as of the same period of year 2024.

# Stockholders' Equity

The Group's Stockholders' Equity increased to ₱3,491.7 million as of the 1st Quarter period ended, March 31, 2025, compared to ₱3,485.2 million as of the same period of 2024.

# Review for the period ended March 31, 2025

(Comparative balances for the 3-month period ended March 31, 2025 and December 31, 2024)

-	March 31 2025	December 31	Increase (Decrease)	%
Revenue	20,198,238	55,210,549	-35,012,311	-63%
General & Administrative Expenses	13,632,657	63,770,015	-50,137,358	-79%
Income (loss) before income tax	6,565,581	-8,559,466	15,125,047	177%
Provision for income tax	-	-412,148	412,148	100%
Net income (loss)	6,565,581	-8,147,318	14,712,899	181%
Other comprehensive income	271,179	449,635	-178,456	-40%
Net Income	6,836,760	-7,697,683	14,534,443	189%

# **Results of Operations**

As of the three-month period ended, March 31, 2025, the Group earned total revenues of ₱20.2 million, which include the Parent Company's depot royalty income as well as its share in the net equity earnings of an associate.

The Group recognized P7.8 million in depot royalty income for the three-month period ended, March 31, 2025, compared to P33.1 million and P44.6 million, for the years ended December 31, 2024 and 2023, respectively.

For the first quarter of 2025, the Group realized a Net Income of P6.6 Million and Total Comprehensive Income of P6.8 million. In contrast, For the year ended December 31, 2024, the Group incurred a Net Loss of P8.1 million and Total Comprehensive Loss of P7.7 million.

### **Financial Condition**

(Comparative balances for the period ended March 31, 2025 and December 31, 2024)

	March 31 2025	December 31	Increase (Decrease)	%
Current Assets				
Cash	9,289,450	1,255,597	8,033,853	640%
Non-trade and other receivables	52,125,594	71,006,165	-18,880,571	-27%
Other current assets	7,149,505	5,164,573	1,984,932	38%
Total current assets	68,564,549	77,426,335	-8,861,786	-11%
Non-current Assets				
Due from related parties	892,803,244	892,803,244	-	0%
Financial assets at fair value through OCI	3,061,052,149	3,060,780,971	271,178	0%
Investment in associates	31,901,063	20,245,057	11,656,006	58%
Property and equipment	45,165,662	44,769,668	395,994	1%
Right-of-use asset	330,632,133	333,565,466	-2,933,333	-1%
Intangible asset, net	623,748	630,577	-6,829	-1%
Deferred tax asset	3,996,071	3,996,071	0	0%
Total non-current assets	4,366,174,070	4,356,791,054	9,383,016	0%
Total Assets	4,434,738,618	4,434,217,389	521,229	0%

#### **Summary of Consolidated Statements of Financial Position**

Current Liabilities				
Accrued expenses and other current liabilities	429,544,219	421,534,990	8,009,229	2%
Mortgage payable, current portion	850,305	850,305	0	0%
Lease liability, current portion	190,941	243,941	-53,000	-22%
Total current liabilities	430,585,465	422,629,236	7,956,229	2%
Non-current Liabilities				
Due to a stockholder	255,469,626	269,741,387	-14,271,761	-5%
Due to other related parties	243,167,099	243,167,099	0	0%
Mortgage payable, non-current	611,868	611,868	0	0%
Lease liability, net of current portion	13,185,388	13,185,388	0	0%
Total non-current liabilities	512,433,981	526,705,742	-14,271,761	-3%
Total Liabilities	943,019,446	949,334,978	-6,315,532	-1%
Stockholders' Equity				
Share capital	2,748,553,181	2,748,553,181	0	0%
Additional paid-in capital	589,120,804	589,120,804	0	0%
Deposit for future stock subscription	102,000,000	102,000,000	0	0%
Fair value reserve	247,652	-23,527	271,179	1153%
Retained earnings	51,797,534	45,231,953	6,565,581	15%
Total stockholders' equity	3,491,719,171	3,484,882,411	6,836,760	0%
Total Liabilities and Stockholders' Equity	4,434,738,618	4,434,217,389	521,229	0%

The Group's Total Assets registered a slight increase of ₱0.52 million from ₱4.434 billion as at December 31, 2024 to ₱4.435 billion as at March 31, 2025. The increase is attributable to changes in the following asset accounts:

- Cash in bank rose by ₱8.0 million, or 640%, primarily due to the collection of receivables from NTDCC, related to depot royalty income earned in 2024.
- Other current assets increased by ₱1.9 million, or 38%, mainly due to increase in Input VAT receivables.
- Financial assets at fair value increased by ₱271 thousand due to upward adjustment in the market value of quoted equity shares.
- Investments in associates grew by ₱11.6 million, or 58%, representing the Group's 15.8% share in MRT Devco's net income of ₱74 million for the period.
- Property, plant and equipment increased by ₱0.39 million or 1% due to construction costs incurred on the Group's solar power project during the period.

The Group's Total Liabilities decreased by ₱6.3 million or 1% from ₱949 million as at December 31, 2024 to ₱943 million in March 31, 2025, while the Stockholder's Equity increased by ₱6.8 million or from ₱3,485 million to ₱3,492 million during the same period. These changes were due to the following:

- Due to a Stockholder declined by ₱14.3 million or 5%, due to various payments to FEMI during the period.
- Fair value reserve increased by ₱0.27 million or 1153%, due to fair value gain on financial assets.
- Retained earnings increased by ₱6.6 million (from ₱45.2 million as at December 31, 2024 to ₱51.8 million as of March 31, 2025) mainly due to the Net Income earned during the quarter.

The Group's Stockholder's Equity increased by ₱6.8 million (from ₱3.485 billion as at December 31, 2024 to ₱3.492 billion as of March 31, 2025) mainly due to the Total Comprehensive Income of ₱6.8 million for the first quarter of 2025.

# Key Performance Indicators ("KPI")

The Group's KPI as of March 31, 2025 compared with the same period in 2024 and for the year ended December 31, 2024 are as follows:

Performance Indicator	Formula	1st Quarter 2025	1st Quarter 2024	Dec-24
LIQUIDITY				
Current Ratio	Current Assets / Current Liabilites	0.16	0.16	0.18
Quick Ratio	Cash & Cash Equivalents + Current Trade Receivables / Current Liabilities	0.14	0.14	0.17
LEVERAGE				
Debt to Total Assets	Total Liabilities / Total Assets	0.21	0.21	0.21
Equity to Total Assets	Total Owner's Equity / Total Assets	0.79	0.79	0.79
Debt to Equity	Total Liabilities / Total Owner's Equity	0.27	0.27	0.27
Asset to Equity	Total Assets / Total Owner's Equity	1.27	1.27	1.27
PROFITABILITY				
Return on Equity	Net Income / Equity Attributable to Parent Company's Shareholders	0.002	-0.002	-0.002
Return on Assets	Net Income / Total Assets	0.001	-0.002	-0.002
Earnings Per Share	Net Income / Average Number of Shares Outstanding	0.002	-0.003	-0.003

# <u>Liquidity</u>

The decrease in current ratio was primarily due to increase in current liabilities during this period.

The lower quick ratio resulted from a reduction in the cash balance, coupled with the rise in current liabilities.

### <u>Leverage</u>

Due to insignificant and offsetting changes in the balances on all accounts during the period, the above ratios remain unchanged.

The ratios show that the Group's assets are more than sufficient to cover its liabilities.

### **Profitability**

The Net Income earned by the Group for the period ended March 31, 2025 contributed to the positive results of all the Profitability ratios (Return on Equity, Return on Assets and Earnings Per Share).

# <u>Financial Condition. Changes in Financial Condition and Results of</u> <u>Operations during the Last Three (3) Years</u>

	For the Years Ended December 31			Horizontal Analysis				
				Increase (Dec	rease)	Increase (Decrease)		
	2024	2023	2022	2024 vs. 2023	%	2023 vs. 2022	%	
Share in profit of associates	20,513,639	6,140,438	19,526,017	14,373,201	234%	-13,385,579	-69%	
Depot royalty income	33,062,546	44,664,516	19,546,766	-11,601,970	-26%	25,117,750	129%	
Operating expenses	-63,770,015	-48,732,548	-35,571,235	15,037,467	31%	13,161,313	37%	
Dividend income	-	2,871,466	-	-2,871,466	-100%	2,871,466	100%	
Finance cost	-1,202,250	-327,832	-	874,418	267%	327,832	100%	
Other income	2,836,614	895,936	11,787	1,940,678	217%	884,149	7501%	
Provision for income tax	412,148	185,213	-	226,935	123%	185,213	100%	
Net Income	-8,147,318	5,697,189	3,513,335	-13,844,507	-243%	2,183,854	62%	

# Summary of Consolidated Statements of Income

# Summary of Consolidated Statements of Income

	For the Years Ended			Vertical Analysis				
		December 31		Increase (Decr	ease)	Increase (Decrease)		
	2024	2023	2022	2024 vs. 2023	%	2023 vs. 2022	%	
Share in profit of associates	20,513,639	6,140,438	19,526,017	14,373,201	-104%	-13,385,579	-613%	
Depot royalty income	33,062,546	44,664,516	19,546,766	-11,601,970	84%	25,117,750	1150%	
Operating expenses	-63,770,015	-48,732,548	-35,571,235	15,037,467	-109%	13,161,313	603%	
Dividend income	-	2,871,466	-	-2,871,466	21%	2,871,466	131%	
Finance cost	-1,202,250	-327,832	-	874,418	-6%	327,832	15%	
Other income	2,836,614	895,936	11,787	1,940,678	-14%	884,149	40%	
Provision for income tax	412,148	185,213	-	226,935	-2%	185,213	8%	
Net Income	-8,147,318	5,697,189	3,513,335	-13,844,507	100%	2,183,854	100%	

# Summary of Consolidated Statements of Financial Position as at December 31

	For the Years Ended			Horizontal Analysis			
	December 31			Increase (Decrease)		Increase (Decrease)	
	2024	2023	2022	2024 vs. 2023	%	2023 vs. 2022	%
Current Assets							
Cash	1,255,597	12,780,533	1,343,801	-11,524,936	-90%	11,436,732	851%
Non-trade and other receivables	71,006,165	64,064,417	18,569,428	6,941,748	11%	45,494,989	245%
Other current assets	5,164,573	4,209,606	1,583,430	954,967	23%	2,626,176	166%
Total current assets	77,426,335	81,054,556	21,496,659	-3,628,221	-4%	59,557,897	277%
Non-current Assets							
Due from related parties	892,803,244	892,803,244	892,803,244	-	0%	-	0%
Financial assets at fair value through OCI	3,060,780,971	3,060,331,336	3,061,220,078	449,635	0%	-888,742	0%
Investment in associates	20,245,057	6,942,791	19,071,383	13,302,266	192%	-12,128,592	-64%
Property and equipment	44,769,668	39,612,914		5,156,754	13%	39,612,914	100%
Right-of-use asset	333,565,466	348,090,414	-	-14,524,948	-4%	348,090,414	100%
Intangible asset, net	630,577	657,894	682,935	-27,317	-4%	-25,041	-4%
Deferred tax asset	3,996,071	3,110,114	1,607,251	885,957	28%	1,502,863	94%
Total non-current assets	4,356,791,054	4,351,548,707	3,975,384,891	5,242,347	0%	376,163,816	9%
Total Assets	4,434,217,389	4,432,603,263	3,996,881,550	1,614,126	0%	435,721,713	11%
Current Liabilities	404 504 000		406 004 744	0.000.005	40/	40 500 444	201
Accrued expenses and other current liabilities	421,534,990	418,568,125	406,034,711	2,966,865	1%	12,533,414	3%
Mortgage payable, current portion	850,305	-	-	850,305	100%	0	0%
Lease liability, current portion	243,941	227,113	-	16,828	7%	227,113	100%
Total current liabilities	422,629,236	418,795,238	406,034,711	3,833,998	1%	12,760,527	3%
Non-current Liabilities							
Due to a stockholder	269,741,387	267,424,211	702,217,691	2,317,176	1%	-434,793,480	-62%
Due to other related parties	243,167,099	240,357,562	252,857,501	2,809,537	1%	-12,499,939	-5%
Mortgage payable, non-current	611,868	-	-	611,868	100%	0	0%
Lease liability, net of current portion	13,185,388	13,446,158	-	-260,770	-2%	13,446,158	100%
Total non-current liabilities	526,705,742	521,227,931	955,075,192	5,477,811	1%	-433,847,261	-45%
Total Liabilities	949,334,978	940,023,169	1,361,109,903	9,311,809	1%	-421,086,734	-31%
Stockholders' Equity							
Share capital	2,748,553,181	1,998,553,181	1,998,553,181	750,000,000	38%	0	0%
Additional paid-in capital	589,120,804	589,120,804	589,120,804	0	0%	0	0%
Deposit for future stock subscription	102,000,000	852,000,000	-	-750,000,000	-88%	852,000,000	100%
Fair value reserve	-23,527	-473,162	415,580	449,635	95%	-888,742	-214%
Retained earnings	45,231,953	53,379,271	47,682,082	-8,147,318	-15%	5,697,189	12%
Total stockholders' equity	3,484,882,411	3,492,580,094	2,635,771,647	-7,697,683	0%	856,808,447	33%
Total Liabilities and Stockholders' Equity	4,434,217,389	4,432,603,263	3,996,881,550	1,614,126	0%	435,721,713	11%

# Summary of Consolidated Statements of Financial Position as at December 31

	For the Years Ended			Vertical Analysis			
	December 31		Increase (Decrease)		Increase (Decrease)		
	2024	2023	2022	2024 vs. 2023	%	2023 vs. 2022	%
Current Assets							
Cash	1,255,597	12,780,533	1,343,801	-11,524,936	-714%	11,436,732	3%
Non-trade and other receivables	71,006,165	64,064,417	18,569,428	6,941,748	430%	45,494,989	10%
Other current assets	5,164,573	4,209,606	1,583,430	954,967	59%	2,626,176	1%
Total current assets	77,426,335	81,054,556	21,496,659	-3,628,221	-225%	59,557,897	14%
Non-current Assets							
Due from related parties	892,803,244	892,803,244	892,803,244	0	0%	0	0%
Financial assets at fair value through OCI	3,060,780,971	3,060,331,336	3,061,220,078	449,635	28%	-888,742	0%
Investment in associates	20,245,057	6,942,791	19,071,383	13,302,266	824%	-12,128,592	-3%
Property and equipment	44,769,668	39,612,914	-	5,156,754	319%	39,612,914	9%
Right-of-use asset	333,565,466	348,090,414	-	-14,524,948	-900%	348,090,414	80%
Intangible asset, net	630,577	657,894	682,935	-27,317	-2%	-25,041	0%
Deferred tax asset	3,996,071	3,110,114	1,607,251	885,957	55%	1,502,863	0%
Total non-current assets	4,356,791,054	4,351,548,707	3,975,384,891	5,242,347	325%	376,163,816	86%
Total Assets	4,434,217,389	4,432,603,263	3,996,881,550	1,614,126	100%	435,721,713	100%
Current Liabilities							
Accrued expenses and other current liabilities	421,534,990	418,568,125	406,034,711	2,966,865	184%	12,533,414	3%
Mortgage payable, current portion	850,305	-	-	850,305	53%	0	0%
Lease liability, current portion	243,941	227,113	-	16,828	1%	227,113	0%
Total current liabilities	422,629,236	418,795,238	406,034,711	3,833,998	238%	12,760,527	3%
Non-current Liabilities							
Due to a stockholder	269,741,387	267,424,211	702,217,691	2,317,176	144%	-434,793,480	-100%
Due to other related parties	243,167,099	240,357,562	252,857,501	2,809,537	174%	-12,499,939	-3%
Mortgage payable, non-current	611,868	-	-	611,868	38%	0	0%
Lease liability, net of current portion	13,185,388	13,446,158	-	-260,770	-16%	13,446,158	3%
Total non-current liabilities	526,705,742	521,227,931	955,075,192	5,477,811	339%	-433,847,261	-100%
Total Liabilities	949,334,978	940,023,169	1,361,109,903	9,311,809	577%	-421,086,734	-97%
Stockholders' Equity							
Share capital	2,748,553,181	1,998,553,181	1,998,553,181	750,000,000	46465%	0	0%
Additional paid-in capital	589,120,804	589,120,804	589,120,804	0	0%	0	0%
Deposit for future stock subscription	102,000,000	852,000,000	-	-750,000,000		852,000,000	196%
Fair value reserve			445 500	449,635	28%	-888,742	0%
Fail value reserve	-23,527	-473,162	415,580	445,055	20/0	000,7 12	
Retained earnings	-23,527 45,231,953	-473,162 53,379,271	415,580 47,682,082	-8,147,318	-505%	5,697,189	1%
				-		-	

#### Summary of Consolidated Statements of Cash Flows

	For the Years Ended December 31			
	2024	2023	2022	
Net Cash Flows From (Used in):				
Operating Activities	-17,158,446	4,150,715	-13,198,735	
Investing Activities	-4,272,787	-3,284,345	-	
Financing Activities	9,906,297	10,567,774	12,575,883	
Net Increase (Decrease) in Cash and Cash Equivalents	-11,524,936	11,434,144	-622,852	
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	2,588	22,449	
Cash and Cash Equivalents at Beginning of Year	12,780,533	1,343,801	1,944,204	
Cash and Cash Equivalents at End of Year	1,255,597	12,780,533	1,343,801	

# Year ended December 31, 2024 compared with year ended December 31, 2023

# **Results of Operations**

The Group reported a Net Loss of ₱8,147,318 for the year ended December 31, 2024. This loss was primarily driven by a 25.98% decline in Depot Royalty Income and a 30.86% increase in General and Administrative Expenses. Meanwhile, Share in Profit of Associates increased by 234.07%.

In contrast, the Group earned a Net Income of ₱5,697,189 in 2023. The net loss for 2024 was mainly attributable to the significant increase in general and administrative expenses, despite the higher share in profit from associates. Additionally, Depot Royalty Income declined, and no dividend income was received by the Parent Company from its investment in quoted equity securities during the year.

### **Depot Royalty Income**

For the year ended December 31, 2024, the Group's share in Depot Royalty Income declined by 25.98% or ₱11,601,970, from ₱44,664,516 in 2023 to ₱33,062,546 in 2024. Although gross rental income from Trinoma Commercial Center increased during the year, the overall decrease was primarily due to the prior year's figures including an additional ₱20.6 million in depot royalty income. This additional income was compensation from NTDCC for the non-completion of various lot pad developments in North Avenue, Quezon City, under the Alternative Compliance Agreement dated December 14, 2023, between the Parent Company, Global Estate Resorts Inc., and NTDCC.

### **General and Administrative Expenses**

The Group's General and Administrative Expenses increased by ₱15,037,467 or 31%, from ₱48,732,548 as of December 31, 2023 to ₱63,770,015 as of December 31, 2024. This increase was largely due to the higher amortization of the Right-of-Use Asset. In 2024, total amortization amounted to ₱14,524,948, compared to only ₱4,884,900 in

2023, as the prior year's amortization covered only four (4) months. Additionally, in 2024, the Group paid a one-time SEC listing fee of ₱7,500,000 in connection with the increase in the Parent Company's Authorized Capital Stock from ₱2 billion to ₱5 billion.

# **Financial Condition**

The Group's financial position remained stable as of December 31, 2024. Total Assets increased slightly by P1,614,126 or 0.04%, from P4,432,603,263 in 2023 to P4,434,217,389 in 2024. Total Liabilities rose by P9,311,809 or 0.99%, from P940,023,169 to P949,334,978. Meanwhile, Stockholders' Equity decreased slightly by P7,697,683 or 0.22%, from P3,492,580,094 to P3,484,882,411.

# Total Assets

The increase of ₱1,614,126 or 0.04% in Total Assets was primarily due to:

- A ₱13,302,266 increase in Investment in Associates, representing the Group's share in the profit of MRT Devco, amounting to ₱20,513,639 for the year;
- A ₱6,941,748 or 10.84% increase in Trade and Other Receivables, mainly from MSPSI's loan receivables from Solrev Energy, Inc., totaling ₱49,727,727;
- A ₱5,156,754 or 13.02% increase in Property and Equipment, primarily due to additional costs related to the solar power project amounting to ₱4,095,829.

These increases were partially offset by reductions in Cash and the recognition of amortization on the Right-of-Use Asset and Intangible Assets.

# Total Liabilities

Total Liabilities increased by ₱9,311,809 or 0.99%, mainly due to higher balances in the following accounts:

- Due to a Stockholder increased by ₱2,317,176 or 0.87%, from ₱267,424,211 to ₱269,741,387, due to additional advances;
- Due to Other Related Parties rose by ₱2,809,537 or 1.17%, also from additional advances;

Accrued Expenses increased by ₱2,966,865 or 0.71%, as a result of various accruals during the year.

# Stockholders' Equity

Stockholders' Equity decreased by ₱7,697,683 or 0.22%, primarily due to the Net Loss incurred during the year.

Share capital increased by ₱750,000,000 or 37.53% while Deposit for future stock subscription decreased also by ₱750,000,000 or 88.03% as a result of the conversion of the deposit for future stock subscription into equity with the SEC's approval on the increase in capitalization from ₱2 billion to ₱5 billion, during the year.

# Material Changes in the year ended December 31, 2024 Financial Statements

# **Financial Position**

(Increase/ decrease of 5% or more versus December 31, 2023 balances)

- 90% decrease in Cash and cash equivalents was primarily due to a significant increase in general and administrative expenses during the year
- 11% increase in Trade and Other Receivables was mainly attributable to the increase in Metro Solar's loan receivables from Solrev Energy, Inc.
- 23% increase in Other Current Assets was largely due to higher input VAT and creditable withholding tax, both related to depot royalty income
- 192% increase in Investments in Associates was driven by the growth in the Group's share in the net equity earnings of MRTDC
- 13% increase in Property and equipment was mainly due to the additional costs incurred related to Metro Solar's development of a 65-megawatt solar farm project in Pililia, Rizal
- 4% decrease in Right-of-use asset primarily due to the amortization of the asset during the year
- 4% decrease in intangible asset, primarily due to the asset's amortization recorded during the year
- 28% increase in Deferred Tax Asset resulted from the recording of additional deferred income taxes from the payment of MCIT and recognition of tax benefits due to Net Operating Loss Carry Over (NOLCO)
- 38% increase in Share Capital and the 88% decrease in Deposit for future stock subscription for the same amount of ₱750 million, resulted from the conversion of the deposit for future stock subscription into equity following SEC's approval of the increase in the Parent Company's authorized capital stock from ₱2 billion to ₱5 billion
- 95% increase in Fair value reserve was due to the higher fair market value of quoted equity securities during the year
- 15% decrease in Retained Earnings was primarily due to the net loss incurred during the year

# **Results of Operation**

(Increase/decrease of 5% or more versus December 31, 2023 balances)

- 234% increase in Share in Profit of Associates was due to the rise in the Parent Company's share in the net equity earnings of MRTDC for the year ended December 31, 2024
- 26% decrease in Depot Royalty Income resulted from the reduction in the share in depot royalty income received by the Parent Company from Trinoma Mall. The higher income in 2023 included an additional royalty fee of ₱20.9 million covering the the years 2019 to 2023, received as a result of the Alternative Compliance Agreement signed in December, 2023
- 31% increase in General and Administrative Expense was primarily due to amortization of Right-of-Use assets and the listing fee paid to SEC in relation to the application for increase in the Parent Company's Authorized Capital Stock from ₱2 billion to ₱5 billion
- 100% decrease in Dividend income was due to the absence of dividends received from investments in quoted securities during the year
- 267% increase Finance cost pertained to the interest expense arising from the movement in lease liabilities for the year ended December 31, 2024
- 217% increase in Other Income was mainly due to interest income earned from advances to third parties
- 123% increase in Income Tax Benefit was attributable to the recognition of NOLCO during the year
- 151% increase in Fair Value Gain on Financial Assets at Fair Value Thru OCI was due to higher valuation of quoted securities in the current year compared to the previous year

# Key Performance Indicators (KPI)

The Group's KPI for the years ended December 31, 2024 and 2023 follows:

Performance Indicator	Formula	2024	2023
Liquidity			
Current Ratio	<u>Current Assets</u> Current Liabilities	0.183	0.194
Quick Ratio	Cash & Cash Equivalents + Current <u>Trade</u> <u>Receivables</u> Current Liabilities	0.171	0.183

Leverage			
Debt to Total Assets	Total Liabilities		
	Total Assets	0.21	0.21
Equity to Total Assets	Total Owner's Equity		
	Total Assets	0.79	0.79
Debt to Equity	Total Liabilities		
	Total Owner's Equity	0.27	0.27
Asset to Equity	Total Assets		
	Total Owner's Equity	1.27	1.27
Profitability			
Return on Equity	Net Income		
	Total Assets	-0.0023	0.0019
Return on Assets	Total Assets		
	Total Owner's Equity	-0.0018	0.0014
Earnings per Share	Net Income (Loss)		
	Average Number of	-0.0030	0.0029
	Shares Outstanding		

# <u>Liquidity</u>

Current Ratio and Quick Ratio both decreased in December 2024 compared to December 2023 mainly due to the decrease in the current assets of the Group, specifically on Cash.

### <u>Leverage</u>

Due to insignificant and offsetting movement of balances on all accounts during the year, the above ratios remain unchanged.

# <u>Profitability</u>

The negative results of all the profitability ratios were due to the Net Loss incurred by the Group for the year ended December 31, 2024.

# Year ended December 31, 2023 compared with year ended December 31, 2022

### **Results of Operations**

The Group's Net Income for the year ended December 31, 2023 amounted to ₱5.7 million. The current year registered an increase in Depot Royalty Income by 129% while Share in Profit of Associates decreased by 69%. General and administrative expenses also increased by 37%.

Compared to the Net Income of ₱3.5 million earned by the Group for the year ended, December 31, 2022, this year's net income increased by ₱2.1 million. The increase was mainly due to the significant increase in Depot royalty income and also due to the dividend income received by the Parent Company from its investment in quoted equity securities, amounting to ₱2.9 million. No similar dividend was received by the Parent Company, last year.

# Depot Royalty Income

For the year ended December 31, 2023, the Group's share in Depot Royalty Income increased by 129% or ₱25.1 million from ₱19.5 million as of December 31, 2022 to ₱44.7 million as of December 31, 2023. The increase was mainly due to the increase in gross rental income of Trinoma Commercial Center and the ₱20.6 million additional depot royalty income received from NTDCC during the year, as compensation for the non-completion of the development of various lot pads located in North Avenue, Quezon City, as per Alternative Compliance Agreement entered into by and between the Parent Company, Global Estate Resorts Inc., and NTDCC, dated December 14, 2023.

# **General and Administrative Expenses**

The Group's General and Administrative Expenses increased by ₱13.2 million or 37%, from ₱35.5 million in December 31, 2022 to ₱48.7 million in December 31, 2023, largely due to SEC listing fee amounting ₱6.0 million in relation to the increase in Authorized Capital Stock of the Parent Company from ₱2 billion to ₱5 billion. Also, the increase was brought by the general and administrative expenses of Metro Solar Power Solutions, Inc. amounting ₱2.9 million as a result of the consolidation, starting this year.

# **Financial Condition**

The Group's financial condition remained steady for the year ended December 31, 2023. The Group's Total Assets increased by  $\Rightarrow$ 435.8 million or 11%, from  $\Rightarrow$ 3,996.8 million as at December 31, 2022 to  $\Rightarrow$ 4,432.6 million as at December 31, 2023. On the other hand, the Group's Total Liabilities decreased by  $\Rightarrow$ 421.1 million or 31%, from  $\Rightarrow$ 1,361.1 million as at December 31, 2022 to  $\Rightarrow$ 940.0 million as at December 31, 2023; further, Stockholders Equity also increased by  $\Rightarrow$ 856.8 million or 33%, from  $\Rightarrow$ 2,635.8 million as at December 31, 2022 to  $\Rightarrow$ 3,492.6 million as at December 31, 2023.

# **Total Assets**

The ₱435.8 million or 11% increase in the Group's Total Assets, from ₱3,996.8 as at December 31,2022 to ₱4,432.6 as at December 31, 2023, was mainly due to the recording of the Right-of-use Asset and Construction-in-Progress (under Property and equipment), amounting ₱348.1 million and ₱38.6 million respectively, in relation to the acquisition of Metro Solar shares during the year.

The "Right-of-use asset" includes the value of the Solar Energy Service Contract, amounting to P341 million, which will pave the way for the creation of the Solar Power Project. The amount was based on the appraisal done by a third party contracted by the Parent Company.

There was an increase also of ₱45.5 million or 245% in Trade and other Receivables mainly coming from the loan receivables of MSPSI from Solrev Energy, Inc. amounting ₱44.1 million.

# **Total Liabilities**

The decrease in the Group's Total Liabilities of ₱421.1 million or 31% was mainly due to decrease in Due to a Stockholder account.

Due to a Stockholder decreased by ₱434.8 million or 62% from ₱702.2 million as of December 31, 2022 to ₱267.4 as of December 31, 2023, mainly due to the conversion of portion of the Group's liability to FEMI amounting ₱500 million into deposit for future stock subscription.

# Stockholders' Equity

The increase in Stockholders' Equity of ₱856.8 million or 33% was largely brought about by the recording of deposit for future stock subscription amounting ₱852 million and the Net Income amounting ₱5.7 million.

# Material Changes in the year ended December 31, 2023 Financial Statements

# **Financial Position**

(Increase/ decrease of 5% or more versus December 31, 2022 balances)

- 851% increase in Cash and cash equivalents was in view of the significant collection of the receivables from NTDCC during the year.
- 245% 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 and the consolidation of MSPSI's loan receivables from Solrev Energy, Inc.
- 166% 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), input VAT and other advances.
- 64% decrease in Investment in Associates was brought about by the decrease in the Group's share in the net equity earnings of MRTDC
- 100% increase in Property and equipment mainly pertains to the construction costs of Metro Solar's development of a 65-megawatt solar farm project in Pililia, Rizal
- 100% increase in Right-of-use asset and Lease liability pertains to the recognition of right-of-use asset and lease liabilities in connection with the acquisition by the Parent Company and the eventual control of MSPSI
- 94% increase in Deferred Tax Asset was due to recording of additional deferred income taxes from payment of MCIT and recognition of tax benefit due to NOLCO

- 62% decrease in Due to a Stockholder was in view of the conversion of portion of FEMI advances into equity, which is recorded as part of Deposit for Future Stock Subscription pending issuance of the actual share certificates to FEMI
- 5% decrease in Due to other related parties was due to offsetting of dividend income received from MRT Devco against the Parent company's liability to MRT Devco
- 100% increase in Deposit for Future Stock Subscription was due to the recognition of deposit for future stock subscription as a result of the conversion into equity of portion of liability to a stockholder, amounting to ₱500 million, and the assignment of MSPSI shares by FEMI, valued at ₱352 million
- 214% decrease in Fair value reserve due to decline in the fair value of quoted equity securities during the year
- 12% increase in Retained Earnings mainly due to the net income earned during the year

# **Results of Operation**

(Increase/ decrease of 5% or more versus December 31, 2022 balances)

- 69% decrease in Share in Profit of Associates was in view of the decrease in the Parent Company's share in the net equity earnings of MRTDC for the year ended December 31, 2023
- 128% 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
- 37% increase in General and Administrative Expense was mainly due to listing fee paid to SEC in relation to the application for increase in the Parent Company's Authorized Capital Stock from ₱2 billion to ₱5 billion and the consolidation of Metro Solar's general and administrative expenses starting this year as a result of the acquisition of the Metro Solar shares
- 100% increase in Dividend income due to consolidation to dividends received from investment in quoted security. No similar dividend was received last year
- 100% increase in Finance cost pertains to the interest expense portion on the movement of lease liabilities for the year ended December 31, 2023
- 7501% increase in Other Income mainly pertains to interest income on advances to third parties
- 100% increase in Income Tax Benefit pertains to NOLCO recognized by Metro Solar during the year
- 17% increase in Fair value gain on financial assets at fair value through OCI was in view of the higher valuation of quoted securities this year as against last year

# Key Performance Indicators (KPI)

Performance Indicator	Formula	2023	2022
Liquidity	Formula	2023	2022
Current Ratio	Current Assets		
	Current Liabilities	0.194	0.053
Quick Ratio	Cash & Cash		
	Equivalents +		
	Current <u>Trade</u>	0.183	0.049
	<u>Receivables</u>		
	Current Liabilities		
Leverage			
Debt to Total Assets	Total Liabilities		
	Total Assets	0.21	0.34
Equity to Total Assets	Total Owner's Equity		
	Total Assets	0.79	0.66
Debt to Equity	Total Liabilities		
	Total Owner's Equity	0.27	0.52
Asset to Equity	Total Assets		
	Total Owner's Equity	1.27	1.52
Profitability			
Return on Equity	Net Income		
	Total Assets	0.0019	0.0013
Return on Assets	Total Assets		
	Total Owner's Equity	0.0014	0.0009
Earnings per Share	<u>Net Income (Loss)</u> Average Number of Shares Outstanding	0.0029	0.0018

The Group's KPI for the years ended December 31, 2023 and 2022 follows:

# <u>Liquidity</u>

Current Ratio and Quick Ratio both increased in December 2023 compared to December 2022, mainly due to the significant increase in the current assets of the Group.

# <u>Leverage</u>

Debt to Total Assets and Debt to Equity ratios in December 2023 decreased significantly due to conversion of a liability to deposit for future stock subscription.

On the other hand, Equity to Total Assets ratio increased due also to conversion of a liability to deposit for future stock subscription.

Asset to Equity ratio decreased in 2023 as against 2022 mainly due to increase in Total Stockholders' Equity as a result of the conversion of a liability into deposit for future stock subscription.

# <u>Profitability</u>

The positive results of all the profitability ratios were due to the higher Net Income

realized by the Group in December 2023.

# Year ended December 31, 2022 compared with year ended December 31, 2021

# **Results of Operations**

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**

The Group's financial condition remained steady for the year ended December 31, 2022. The Group's Total Assets increased by P16.1 million or 0.40%, from P3,980.8 million as at December 31, 2021 to P3,996.8 million as at December 31, 2022. The Group's Total Liabilities also increased by P13.6 million or 1.01%, from P1,347.5 million as at December 31, 2021 to P1,361.1 million as at December 31, 2022; while its Stockholders Equity increased by P2.4 million or 0.09%, from P2,633.3 million as at December 31, 2021 to P2,635.8 million as at December 31, 2022.

# **Total Assets**

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.

# **Total Liabilities**

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.

# Stockholder's Equity

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
- 223% increase in Other Current Assets was mainly due to increase in creditable withholding tax (which is in relation 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

#### 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 <u>Trade Receivables</u>	0.05	0.02	
	Current Liabilities			
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	<u>Total Liabilities</u>			
	Total Owner's Equity	0.52	0.51	
Asset to Equity	<u>Total Assets</u>			
	Total Owner's Equity	1.52	1.51	
Profitability				
Return on Equity	<u>Net Income</u>			

	Total Assets	0.00	1.31
Return on Assets	<u>Net Income</u>		
	Ave. Total Assets	0.00	0.66
Earnings per Share	<u>Net Income (Loss)</u>		
	Average Number of	0.00	1.32
	Shares Outstanding		

#### <u>Liquidity</u>

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.

#### <u>Leverage</u>

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.

#### <u>Profitability</u>

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

#### **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 2024. 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 2025, 2024 and 2023 could not be determined.

	20	25	20	24	2023			
Quarter	High	Low	High	Low	High	Low		
1st	0.00	0.00	0.00	0.00	0.00	0.00		
2 <sup>nd</sup>			0.00	0.00	0.00	0.00		
3 <sup>rd</sup>			0.00	0.00	0.00	0.00		
4 <sup>th</sup>			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 31 May 2025, the number of shareholders of record is 1,915 while common shares outstanding were 2,750,000,000 shares.

Name of Shareholders	Number of Shares	Percentage
Fil-Estate Management, Inc.	2,454,750,194	89.264%
PCD Nominee Corporation (Filipino)	100,498,633	3.654%
Alakor Securities Corporation	66,778,253	2.428%
Smart Share Investments Limited	55,000,000	2.000%
Bank of Commerce-Trust Services Group	43,211,800	1.571%
Bank of Commerce TG-91-07-001-C	6,383,000	0.232%
PCD Nominee Corp. (Non-Filipino)	3,610,629	0.131%
Bancommerce Investment Corp.	2,000,000	0.073%
Atty. Gilbert Reyes ITF Various Shareholders	1,903,514	0.069%
Noel Carino	1,506,500	0.055%
Jaime Borromeo	1,000,000	0.036%
Leroy Tan	675,500	0.025%
Belson Securities, Inc. A/C#196-358	664,,000	0.024%
Roberto N. Del Rosario	628,000	0.023%
CFC Corporation	576,000	0.021%
The Holders of the Unexchanged San Jose Oil	556,839	0.020%
David Go Securities Corp.	414,200	0.015%
Trendline Securities Corp	382,500	0.014%
Alberto Mendoza &/or Jeanie C. Mendoza	300,000	0.011%
Alakor Corporation	200,000	0.007%
	2,741,039,562	99.673%

Top 20 stockholders based on issued common shares as of 31 Ma	y 2025:
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#### (3) Dividends

The Group is guided by the provisions of the Revised Corporation Code of the Philippines (RCCP) and relevant issuances of the Securities and Exchange Commission, with respect to declaration of dividend, either in the form of cash or stock. As prescribed in the corporation code, the Parent Company and its subsidiaries, may only declare dividends out of its unrestricted retained earnings. Dividends paid in cash are subject to the approval by the Board of Directors, while stock dividends are subject to approval by both the Board of Directors and at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose.

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."

The Group did not declare any dividends over the last two (2) years.

#### (4) Recent Sales of Unregistered or Exempt Securities

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 (the "Increase"), with Fil-Estate Management, Inc. (FEMI), the parent company, subscribing to the said Increase to the extent of P750,000,000.00.

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.

In payment for the subscription of FEMI to the Increase to the extent of P500,000,000.00, FEMI assigned, transferred and conveyed to the Company Debt of the Company to FEMI in the amount of P500,000,000.00 such that the outstanding Debt of the Company to FEMI of P500,000,000.00 was converted into equity of the Company representing 500,000,000 common shares at par value of P1.00 per share. This is an exempt transaction under Section 10.1.2.4.3 of the Securities Regulation Code since issuance is only to one person and an existing shareholder. The Securities and Exchange Commission approved this transaction upon approval of the Increase last February 1, 2024.

As to P250,000,000.00 remaining subscription of FEMI to the Increase, this subscription was to be paid via the assignment, transfer and conveyance by FEMI to the Company of FEMI's 100% shareholdings 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 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. The Securities and Exchange Commission approved this transaction last 8 April 2024. In exchange for acquisition of 100% outstanding shares of Metro Solar valued at P250,000,000.00, the Company issued to FEMI last July 15, 2024 the 250,000,000 common shares of the Company at par value of P1.00 per share from the unissued portion of the Increase. This transaction is likewise an exempt transaction under Section 10.1.2.4.3 of the

Securities Regulation Code since the issuance is to only one person and an existing shareholder.

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 un-decided, 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 2023 and recently last May, 2024. The Board has no immediate plans to adopt new policies for corporate governance.

SECTION 49 REVISED CORPORATION	STATUS OF COMPLIANCE
CODE	
SEC. 49. Regular and Special	Please refer to page 11 hereof which states
Meetings of Stockholders or	the date of the meeting as fixed in the By-
Members. – Regular meetings of	Laws of the Company
stockholders or members shall be	
held annually on a date fixed in the	
bylaws, or if not so fixed, on any date	
after April 15 of every year as	
determined by the board of directors	
or trustees:	
Provided, That written notice of	Please refer to page 11 hereof which states
regular meetings shall be sent to all	June 25, 2024 as the targeted date for
stockholders or members of record	sending out the Notice of the Annual
at least twentyone (21) days prior to	Meeting and the Definitive Information
the meeting, unless a different	Statement

Compliance with Section 49 of the Revised Corporation Code

period is required in the bylaws, law, or regulation:

Provided further, That written notice of regular meetings may be sent to all stockholders or members of record through electronic mail or such other manner as the Commission shall allow under its guidelines.

At each regular meeting of stockholders or members, the board of directors or trustees shall endeavor to present to stockholders or members the following: a) The minutes of the most recent regular meeting which shall include, among others: (1) A description of the voting and vote tabulation procedures used in the previous meeting; (2) A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given; (3) The matters discussed and resolutions reached; (4) A record of the voting results for each agenda item; (5) A list of the directors or trustees, officers and stockholders or members who attended the meeting; and (6) Such other items that the Commission may require in the interest of good corporate governance and the protection of minority stockholders.

b) A members' list for non-stock corporations and, for stock corporations, material information on the current stockholders, and their voting rights;

c) A detailed, descriptive, balanced Please refe and comprehensible assessment of the corporation's performance,

Please refer to pages 2 and 11 hereof which states Notice and documents related to the Annual Meeting are to be posted in the Company's website at <u>https://metroglobalholdings.com</u> and PSE EDGE portal via <u>https://edge.pse.ph</u> and to be published in printed and online format in 2 newspapers of general circulation.

Please refer to Annex "F" hereof which contains the Minutes of the previous 2024 Annual Stockholders Meeting [https://metroglobalholdings.com/pdf/202 4/Draft%20Minutes-Annual%20Meeting%20of%20Stockholders %20of%20MGH%20(25%20July%202024)%2 0(899.60.20).pdf]

Please refer to Annex "F" hereof – Minutes of the previous Annual Stockholders Meeting and SEC FORM 17-C on the Results of the 2024 Annual Stockholders' Meeting which can be viewed at the Company's website[https://metroglobalholdings.com/p df/2024/asm/SEC%20FORM%2017-C%20Results%20of%202024%20Annual%20 Stockholders%20Meeting.pdf]

The list ot stockholders entitled to notice and to vote shall be determined on record date set on 25 June 2025 and list shall be submitted to SEC on July 2, 2025.

Please refer to pages 53-56 hereof.

which shall include information on any material change in the corporation's business, strategy, and other affairs;	
d) A financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with this Code and the rules the Commission may prescribe, a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees;	Please refer to Annex B hereof.
e) An explanation of the dividend policy and the fact of payment of dividends or the reasons for nonpayment thereof;	Please refer to page 70-71 hereof.
f) Director or trustee profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representations in other corporations;	Please refer to pages 15-21 hereof. Also refer to SEC FORM 17-C on Certificates of Attendance to 2024 Governance Seminars which can be viewed at the website [https://metroglobalholdings.com/pdf/202 4/MGHC_Certificate_of_Attendance_to_Co rporate_Governance_Seminar_2024.pdf]
g) A director or trustee attendance report, indicating the attendance of each director or trustee at each of the meetings of the board and its committees and in regular or special stockholder meetings;	Please refer to page 29 hereof.
h) Appraisals and performance reports for the board and the criteria and procedure for assessment;	Please refer to Annexes G hereof (2024 Annual Corporate Governance Report) which can be viewed at the website [https://metroglobalholdings.com/pdf/202 4/MGHC%20-%202024%20I- ACGR_27%20May%202025.pdf]
i) A director or trustee compensation report prepared in accordance with	Please refer to pages 26-29 hereof.

this Code and the rules the	
Commission may prescribe;	
	Please refer to pages 25-26 hereof.
i) Director disclosures on self	
j) Director disclosures on self-	
dealings and related party	
transactions; and/or	
	Pleaser refer to pages 15-21 hereof.
	The aser refer to pages 13-21 mereon.
k) The profiles of directors	
nominated or seeking election or	
reelection.	
	Diagon refer to Continue 0.9.2 of the Du
	Please refer to Sections 9 & 3 of the By-
A director, trustee, stockholder, or	Laws of the Company which can be viewed
member may propose any other	at the website
matter for inclusion in the agenda at	[https://metroglobalholdings.com/pdf/MG
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any regular meeting of stockholders	HC%20Amended%20By-
or members. Special meetings of	Laws%20Sept%2011%202024.pdf
stockholders or members shall be	
held at any time deemed necessary	
or as provided in the bylaws:	
Provided, however, That at least one	
(1) week written notice shall be sent	
to all stockholders or members,	Plaaca refer to page 11 boroof
-	Please refer to page 11 hereof.
unless a different period is provided	
in the bylaws, law or regulation. A	
stockholder or member may	
propose the holding of a special	
meeting and items to be included in	
the agenda. Notice of any meeting	
may be waived, expressly or	
impliedly, by any stockholder or	
member: Provided, That general	
waivers of notice in the articles of	
incorporation or the bylaws shall not	
be allowed: Provided, further, That	
attendance at a meeting shall	
constitute a waiver of notice of such	
meeting, except when the person	
attends a meeting for the express	
purpose of objecting to the	
transaction of any business because	
the meeting is not lawfully called or	
convened. Whenever for any cause,	
there is no person authorized or the	
person authorized unjustly refuses	
to call a meeting, the Commission,	
upon petition of a stockholder or	
member on a showing of good cause	

therefor, may issue an order directing the petitioning stockholder or member to call a meeting of the corporation by giving proper notice required by this Code or the bylaws. The petitioning stockholder or member shall preside thereat until majority at least a of the stockholders or members present have chosen from among themselves, a presiding officer. Please refer to Section 5, Article 1 of the By-Unless the bylaws provide for a Laws which may be viewed at the website longer period, the stock and transfer https://metroglobalholdings.com/template book or membership book shall be s/mghc/pdf/od/Amended%20Byclosed at least twenty (20) days for Laws%20of%20Metro%20Global%20Holdin regular meetings and seven (7) days gs%20Corporation.pdf for special meetings before the scheduled date of the meeting. In case of postponement Please refer to SEC Form 17-C -Notice of of stockholders' or members' regular Postponement of Annual Meeting which can meetings, written notice thereof and be viewed the website at the reason therefor shall be sent to https://metroglobalholdings.com/pdf/202 all stockholders or members of 4/asm/SEC%20Form%2017-C%20Postponement%20of%20Annual%20St record at least two (2) weeks prior to the date of the meeting, unless a ockholders'%20Meeting.pdf different period is required under the bylaws, law or regulation.

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 Pasigon 5 June 2025.

> METRO GLOBAL HOLDINGS CORPORATION By:

RAMON-G. JIMENEZ VP-CFO and Alternate Corporate Information Officer



## **COVER SHEET**

for

#### AUDITED FINANCIAL STATEMENTS

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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, 2024**
- 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 HOLDINGS** CORPORATION

5. <u>Pasig City, Philippines</u> Province, Country or other jurisdiction of Incorporation or organization 6. (SEC Use Only) Industry Classification Code

1604

Postal Code

#### Mezzanine Floor Renaissance Tower

- 6. <u>Meralco Ave., Ugong, Pasig City</u> Address of Principal Office
- 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	2,750,000,000 (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: ₱290,133,969.00@ ₱1.00/share as of December 31, 2024
- 14. Document incorporated by reference: 2024 Audited Financial Statements

#### METRO GLOBAL HOLDINGS CORPORATION

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#### SIGNATURES

#### STATEMENT OF MANAGEMENT RESPONSIBILITY

#### STATEMENT TO FINANCIAL STATEMENTS AND SUPPLEMENTARY

#### Item 1. Business

#### **Business Development**

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

In July 1996, the Board of Directors (BOD) and the stockholders of the Parent Company approved (a) the change in the company's primary purpose from oil exploration to that of a holding company authorized to engage in property and infrastructure development and the relegation of its erstwhile primary purpose to one of the company's secondary purposes, (b) the increase in the company's authorized capital stock from P300.0 million, divided into 30.0 billion shares with a par value of P0.01 per share, to P2 billion, divided into 2 billion shares with a par value of P1.00 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 successorin-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.

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.

In line with the new business directions the Parent Company intends to pursue, the Parent Company has entered into a Memorandum of Agreement on November 22, 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.

On February 1, 2024, the Securities and Exchange Commission approved the increase in the Authorized Capital Stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with a par value of P1 per share.

Likewise, on February 1, 2024, the Securities and Exchange Commission 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.

## 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 6 December 2019)"

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.

On September 11, 2024 the Securities and Exchange Commission approved the amendments of the Third Article of the Articles of Incorporation indicating the specified complete address of the company.

## 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 P1.00 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 247hectare 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.

<u>Conversion of Liabilities to Equity</u>. On January 28, 2008, the BOD approved the conversion of a portion of the liabilities to FEMI amounting to about ₱400.0 million into equity shares of the 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.

On October 10, 2019, the Parent Company and FEMI executed a Deed of Assignment whereby FEMI assigns, transfers and conveys unto the Parent Company the advances in the aggregate amount of Five Hundred Million Pesos (₱500,000,000.00) as partial payments of the subscriptions to the new shares to be issued out of the increase in capital stock of the Parent Company.

On February 1, 2024, the SEC approved the portion of the subscription price to the extent of Five Hundred Million Pesos (₱500,000,000.00) as having been paid via offset against the Parent Company's advances from FEMI as part of the subscription to the increase in Authorized Capital Stock of the Parent Company from ₱2 billion to ₱5 billion.

**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.

<u>Cooperation Agreement</u>. 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 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.

<u>Redemption of Redeemable Preferred Shares in Monumento Rail.</u> 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, 2024, 2023 and 2022, the Parent Company recognized its share in lease rental income from Trinoma Mall, classified as depot royalty income in the

financial statements, of ₱33,062,546, ₱44,664,516 and ₱19,546,766, respectively. This represents 28.47% of 5% of Trinoma Mall's lease rental income for those years, which was collected in subsequent periods.

<u>Settlement Agreement.</u> 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.

<u>Proposal to Department of Transportation (DOTr).</u> On December 19, 2014, the Parent Company presented to the Department of Transportation (DOTr) 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, on February 27, 2023, MRTC adopted the proposal and submitted it to DOTr and the Office of the President.

As at December 31, 2024, the foregoing proposals remain pending with DOTr and 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. (MSPSI).

On October 10, 2019, the Parent Company and FEMI executed a Deed of Assignment whereby FEMI assigns, transfers and conveys unto the Parent Company the advances in the aggregate amount of Five Hundred Million Pesos (₱500,000,000.00) as partial payments of the subscriptions to the new shares to be issued out of the increase in capital stock of the Parent Company.

On August 23, 2023, the Parent Company and FEMI also executed a Deed of Assignment whereby FEMI absolutely and irrevocably assigns, transfers and conveys in favor of the Parent Company all of its rights, title, and interest over the Metro Solar shares, consisting of 250,000 common shares at par value of ₱100 per share, free from all liens and encumbrances of any nature. An independent appraiser determined that Metro Solar has an enterprise value of Three Hundred Fifty-Two Million Pesos (₱352,000,000.00) in its report issued on March 31, 2023. The Parent Company accepted the Metro Solar shares in full payment of the Two Hundred Fifty Million Pesos (₱250,000,000.00) subscription and the excess of One Hundred Two Million Pesos (₱102,000,000.00) shall be booked as a Deposit for Future Stock Subscription of FEMI to the new share issuances of the Parent Company in the future.

At the Annual Stockholder's Meeting held on October 12, 2023, the stockholders approved to further increase the authorized capital stock of the Company, from Five Billion Pesos (₱5,000,000,000,000) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (₱1.00) per share to Ten Billion Pesos (₱10,000,000,000) divided into Ten Billion (10,000,000,000) shares with a par value of One Peso (₱1.00) per share. The stockholders also approved the subscription of FEMI, to P1.25 billion, equivalent to 1.25 billion shares at P1.00 par value, which subscription is to be partially paid to the extent of P312,000,000.00 via offset of Parent Company's debt to FEMI in the amount of P186,000,000.00, the assignment of FEMI's deposit for future subscription in the amount of P102,000,000.00 and the amount of P24,000,000.00 to be paid in cash.

On February 1, 2024, the Securities and Exchange Commission approved the increase in the Capital Stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share.

Also on April 8, 2024, the Securities and Exchange Commission issued the Certificate of Approval of Valuation on the shares of stocks of Metro Solar in the amount of Two Hundred Fifty Million Pesos (₱250,000,000.00) which will be applied as payment for the issuance of additional 250,000,000 common shares at par value of ₱1.00 per share, which will come from the unissued portion of the present authorized capital stock of the Parent Company.

*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 ₱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 February 1, 2024, the Securities and Exchange Commission approved said amendment and issued the corresponding Certificate of Amended Articles of Incorporation allowing 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. 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 (P300,000,000.00).

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.

## Amendment to the By-Laws of the Corporation on Article V, Sections 2, 3, 4, 6 & 7

At the Special Meeting of the Board of Directors of the Parent Company held on August 4, 2023, a majority of the Board members approved and adopted amendments to Article V, Sections 2, 3, 4, 6 & 7 of the Corporation's By-Laws, specifically: 1) the change in the date of the regular Annual Meeting from the first Thursday of March of each year to last Thursday of July of each year; and 2) the inclusion of provisions allowing shareholders to attend, participate and vote via remote communication and voting in absentia.

These amendments were subsequently ratified by the stockholders representing 88.05% of the outstanding capital stock of the Corporation, during the Annual Stockholders Meeting held on October 12, 2023.

The Securities and Exchange Commission approved the amendments and issued the corresponding Certificate of Filing of Amended By-Laws on September 11, 2024.

## **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 89.26% 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.

MSPSI 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. The shares issued by MSPSI to FEMI represent 100% of its total issued and outstanding capital stock of MSPSI. In accordance with the agreement between FEMI and the Parent Company, the consideration for the MSPSI shares was to be determined based on a third-party appraisal report and mutually agreed upon by both parties.

On March 31, 2023, an independent appraiser valued MSPSI at P352 million. Subsequently, on August 23, 2023, the Parent Company and FEMI executed a Deed of Assignment, whereby FEMI, owning 100% of the total issued and outstanding shares of MSPSI, absolutely and irrevocably assigned, transferred and conveyed in favor of the Parent Company all of the shareholder's rights, title and interest over the shares of MSPSI, consisting of 250,000 common shares at par value of P100 per share, free from all liens and encumbrances of any nature. The Parent Company accepted the MSPSI shares as full payment for FEMI's P250 million subscription to the Parent Company.

This transaction was submitted to the Securities and Exchange Commission (SEC) for Confirmation of Valuation of the MSPSI shares as consideration for FEMI's subscription of the FEMI to the Parent Company. On April 8, 2024, the SEC approved the valuation of 100% of the issued and outstanding MSPSI shares as full payment for FEMI's subscription of 250,000,000 common shares in the Parent Company.

The transfer of the MSPSI shares to the Parent Company was completed on August 1, 2024, while the issuance of the 250,000,000 common shares to FEMI was consummated on July 15, 2024.

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. As of December 31, 2024, MGHC Royal, MRTSI and MSPSI have not yet commenced commercial operations.

## 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 twelve (12) employees as of December 31, 2024.

Its subsidiaries, MGHC Royal, MRTSI and Metro Solar, have not yet commenced commercial operations as of December 31, 2024. Metro Solar had four (4) employees as of the same date. The management of all three companies is currently handled 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, 2024, 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, 2023 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, 2023, 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.

## Acquisition of Metro Solar Power Solutions Inc. (MSPSI)

In line with the new business directions the Parent Company intends to pursue, with the approval of the Board, the Parent Company entered into a Deed of Assignment on August 23, 2023 with FEMI whereby the Parent Company purchased the 250,000 shares of common stock of Metro Solar Power Solutions Inc. (MSPSI) held by FEMI. MSPSI 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 MSPSI to FEMI represented 100% of the entire issued and outstanding capital stock of MSPSI. As per agreement with FEMI, the consideration for MSPSI shares was to be determined based on an appraisal report by a third-party and mutually agreed by FEMI and the Parent Company.

On March 31, 2023, an independent appraiser valued MSPSI at P352 million. Subsequently, on August 23, 2023, the Parent Company and FEMI entered into a Deed of Assignment whereby FEMI, owning 100% of the total issued and outstanding shares of MSPSI, absolutely and irrevocably assigned, transferred and conveyed in favor of the Parent Company all of the shareholder's rights, title and interest over the shares of MSPSI, consisting of 250,000 common shares at par value of P100 per share, free from all liens and encumbrances of any nature. The Parent Company accepted the MSPSI shares in full payment of the P250 million subscription made by FEMI.

The excess consideration of P102 million, representing the difference between the appraised value of MSPSI and the subscription amount, was agreed to be booked as deposit in future stock subscription of FEMI. The shares to be issued to FEMI in exchange for the MSPSI shares will come from the 3.0 billion increase in the Parent Company's authorized capital stock which was subsequently approved by the Securities and Exchange Commission (SEC) on February 1, 2024.

The Deed of Assignment was submitted to the SEC on August 24, 2023 for Confirmation of Valuation of the 250,000 MSPSI shares as consideration for FEMI's subscription 250,000,000 common shares of the Parent Company at a par value of P1.00 per share.

While awaiting SEC's approval of the application for Confirmation on Valuation, the SEC, on February 1, 2024, approved the Parent Company's increase in authorized capital stock from Two Billion Pesos (P2,000,000,000.00) divided into Two Billion

(2,000,000,000) Shares at par value of P1.00 per share to Five Billion Pesos (P5,000,000,000.00) divided into Five Billion (5,000,000,000) Shares at par value of P1.00 per share. With this approval, the SEC also approved the recognition of FEMI's P500,000,000.00 subscription to the Parent Company, paid via assignment of advances in the same amount.

Subsequently, on April 8, 2024, the Securities and Exchange Commission approved the valuation of the 250,000 MSPSI at P250,000,000 as valid consideration for the issuance of 250,000,000 common shares of the Parent Company to FEMI at a par value of P1.00 per share.

The Parent Company, and its subsidiaries, MGHC Royal, MRTSI and MSPSI, (collectively the "Group") do not anticipate any significant purchase or sale of equipment within the ensuing twelve (12) months.

MSPSI holds a long-term lease agreement with a third party for the lease of a 91.31hectare property in Pililia, Rizal, designated as the site of its solar project facilities. The lease agreement commenced on October 16, 2017, and has term of 30 years.

As of December 31, 2024, MGHC Royal, MRTSI and MSPSI have not yet commenced commercial operations.

## 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 2024.

## 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 2023, 2024 and 2025 could not be determined.

	202	.5	20	)24	2023				
Quarter	High	Low	High	Low	High Low				
1 <sup>st</sup>	0.00	0.00	0.00	0.00	0.00	0.00			
2 <sup>nd</sup>			0.00	0.00	0.00	0.00			
3rd			0.00	0.00	0.00	0.00			
4 <sup>th</sup>			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 P0.26 per share.

## (2) Holders

As of December 31, 2024, the number of shareholders of record was 1,915 while the total number of common shares outstanding stood at 2,750,000,000 shares. The top 20 Stockholders of the Parent Company as of the same date are as follows:

			70 <b>01</b>
	Name of Stockholders	Number of Shares	Ownership
1	Fil-Estate Management, Inc.	2,454,750,194	89.26%
2	PCD Nominee Corporation (Filipino)	100,447,633	3.65%
3	Alakor Securities Corporation	66,778,253	2.43%
4	Smart Share Investments Limited	55,000,000	2.00%
5	Bank of Commerce-Trust Services Group	43,211,800	1.57%
6	Bank of Commerce TG-91-07-001-C	6,383,000	0.23%
7	PCD Nominee Corp. (Non-Filipino)	3,661,629	0.13%
8	Bancommerce Investment Corp	2,000,000	0.07%
	Atty. Gilbert Reyes ITF Various		
9	Shareholders	1,903,514	0.07%
10	Noel Carino	1,506, 500	0.05%
11	Jaime V. Borromeo	1,000,000	0.04%
12	Leroy Tan	675,500	0.02%
13	Belson Securities, Inc. A/C#196-358	664,000	0.02%
14	Roberto N. Del Rosario	628,000	0.02%
15	CFC Corporation	576,000	0.02%
	The Holders of the Unexchanged San Jose		
16	Oil Co., Inc	556,839	0.02%
17	David Co Securities Corp.	414,200	0.02%
18	Trendline Securities Corp.	382,500	0.01%
19	Alberto Mendoza &/or Jeanie C. Mendoza	300,000	0.01%
20	Alakor Corporation	200,000	0.01%

## (3) Dividends

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

% **of** 

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 Power Solutions, Inc. (MSPSI).

The 750,000,000 shares to be issued to FEMI will come from the ₱3 billion (₱3,000,000,000) increase in the Parent Company's authorized capital stock, which was subsequently approved by the SEC on February 1, 2024.

On February 1, 2024, the SEC approved the portion of the subscription price to the extent of Five Hundred Million Pesos (₱500,000,000.00) as having been paid via offset against the Parent Company's advances from FEMI as part of the subscription to the increase in Authorized Capital Stock of the Parent Company from ₱2 billion to ₱5 billion.

Subsequently on April 8, 2024, the remaining ₱250,000,000 of the subscription price has been fully paid via assignment of 250,000,000 common shares in MSPSI to the Parent Company which assignment was approved by SEC.

## 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 anticipates receiving its 28.47% share of the 5% the lease rental income from Trinoma Mall, referred to as "Depot Royalty Income," following the redemption of its preferred shares in Monumento Rail. This revenue will be allocated to fund its operating expenses and partially repay its debts to FEMI.

The Parent Company foresees a potential need for substantial funding within the next twelve (12) months, due to the finalization and completion of the transactions related to the acquisition of FEMI's equity interest of in Metro Solar. Metro Solar's primary project is the development of the 65-megawatt solar farm project in Pililia, Rizal, with construction expected to begin within the same timeframe. To finance this project, the Parent Company intends to secure the necessary funds to through private placements and the eventual resumption of trading of its shares on 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 major plant and equipment within the next 12 months as the Parent Company is not engaged in any manufacturing activities.

# Management Discussions and Analysis of Financial Condition and Results of Operations

## Review for the year ended December 31, 2024

## Financial position and results as at and for the year ended December 31, 2024

The Group reported a Net Loss of ₱8,147,318 for the year ended December 31, 2024. This loss was primarily driven by a 25.98% decline in Depot Royalty Income and a 30.86% increase in General and Administrative Expenses. Meanwhile, Share in Profit of Associates increased by 234.07%.

In contrast, the Group earned a Net Income of ₱5,697,189 in 2023. The net loss for 2024 was mainly attributable to the significant increase in general and administrative expenses, despite the higher share in profit from associates. Additionally, Depot Royalty Income declined, and no dividend income was received by the Parent Company from its investment in quoted equity securities during the year.

## **Depot Royalty Income**

For the year ended December 31, 2024, the Group's share in Depot Royalty Income declined by 25.98% or ₱11,601,970, from ₱44,664,516 in 2023 to ₱33,062,546 in 2024. Although gross rental income from Trinoma Commercial Center increased during the year, the overall decrease was primarily due to the prior year's figures including an additional ₱20.6 million in depot royalty income. This additional income was compensation from NTDCC for the non-completion of various lot pad developments in North Avenue, Quezon City, under the Alternative Compliance Agreement dated December 14, 2023, between the Parent Company, Global Estate Resorts Inc., and NTDCC.

## **General and Administrative Expenses**

The Group's General and Administrative Expenses increased by ₱15,037,467 or 31%, from ₱48,732,548 as of December 31, 2023 to ₱63,770,015 as of December 31, 2024. This increase was largely due to the higher amortization of the Right-of-Use Asset. In 2024, total amortization amounted to ₱14,524,948, compared to only ₱4,884,900 in 2023, as the prior year's amortization covered only four (4) months. Additionally, in 2024, the Group paid a one-time SEC listing fee of ₱7,500,000 in connection with the increase in the Parent Company's Authorized Capital Stock from ₱2 billion to ₱5 billion.

## **Financial Condition**

The Group's financial position remained stable as of December 31, 2024. Total Assets increased slightly by P1,614,126 or 0.04%, from P4,432,603,263 in 2023 to P4,434,217,839 in 2024. Total Liabilities rose by P9,311,809 or 0.99%, from P940,023,169 to P949,334,978. Meanwhile, Stockholders' Equity decreased slightly by P7,697,683 or 0.22%, from P3,492,580,094 to P3,484,882,411.

## **Total Assets**

The increase of ₱1,614,126 or 0.04% in Total Assets was primarily due to:

- A ₱13,302,266 increase in Investment in Associates, representing the Group's share in the profit of MRT Devco, amounting to ₱20,513,639 for the year;
- A ₱6,941,748 or 10.84% increase in Trade and Other Receivables, mainly from MSPSI's loan receivables from Solrev Energy, Inc., totaling ₱49,727,727;
- A ₱5,156,754 or 13.02% increase in Property and Equipment, primarily due to additional costs related to the solar power project amounting to ₱4,095,829.

These increases were partially offset by reductions in Cash and the recognition of amortization on the Right-of-Use Asset and Intangible Assets.

## <u>Total Liabilities</u>

Total Liabilities increased by ₱9,311,809 or 0.99%, mainly due to higher balances in the following accounts:

- Due to a Stockholder increased by ₱2,317,176 or 0.87%, from ₱267,424,211 to ₱269,741,387, due to additional advances;
- Due to Other Related Parties rose by ₱2,809,537 or 1.17%, also from additional advances;

Accrued Expenses increased by ₱2,966,865 or 0.71%, as a result of various accruals during the year.

## Stockholders' Equity

Stockholders' Equity decreased by ₱7,697,683 or 0.22%, primarily due to the Net Loss incurred during the year.

Share capital increased by ₱750,000,000 or 37.53% while Deposit for future stock subscription decreased also by ₱750,000,000 or 88.03% as a result of the conversion of the deposit for future stock subscription into equity with the SEC's approval on the increase in capitalization from ₱2 billion to ₱5 billion, during the year.

## **KEY PERFORMANCE INDICATORS ("KPI")**

## LIQUIDITY RATIOS

	December 31, 2024	December 31, 2023
Current Ratio	0.183	0.194
Quick Ratio	0.171	0.183

*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 2024 compared to December 2023 mainly due to the decrease in the current assets of the Group, specifically on Cash.

## LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2024	December 31, 2023
Debt to Total Assets	0.21	0.21
Equity to Total Assets	0.79	0.79
Debt to Equity	0.27	0.27
Asset to Equity	1.27	1.27

*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.

Due to insignificant and offsetting movement of balances on all accounts during the year, the above ratios remained unchanged.

## **PROFITABILITY RATIOS**

	December 31, 2024	December 31, 2023
Return on Equity	-0.0023	0.0019
Return on Assets	-0.0018	0.0014
Earnings per Share	-0.0030	0.0029

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 negative results of all the profitability ratios were due to the Net Loss incurred by the Group for the year ended December 31, 2024.

## Material Changes in the year ended December 31, 2024 Financial Statements

### **Financial Position**

(Increase/decrease of 5% or more versus December 31, 2023 balances)

- 90% decrease in Cash and cash equivalents was primarily due to a significant increase in general and administrative expenses during the year
- 11% increase in Trade and Other Receivables was mainly attributable to the increase in Metro Solar's loan receivables from Solrev Energy, Inc.
- 23% increase in Other Current Assets was largely due to higher input VAT and creditable withholding tax, both related to depot royalty income
- 192% increase in Investments in Associates was driven by the growth in the Group's share in the net equity earnings of MRTDC
- 13% increase in Property and equipment was mainly due to the additional costs incurred related to Metro Solar's development of a 65-megawatt solar farm project in Pililia, Rizal
- 4% decrease in Right-of-use asset primarily due to the amortization of the asset during the year
- 4% decrease in intangible asset, primarily due to the asset's amortization recorded during the year
- 28% increase in Deferred Tax Asset resulted from the recording of additional deferred income taxes from the payment of MCIT and recognition of tax benefits due to Net Operating Loss Carry Over (NOLCO)
- 38% increase in Share Capital and the 88% decrease in Deposit for future stock subscription for the same amount of ₱750 million, resulted from the conversion of the deposit for future stock subscription into equity following SEC's approval of the increase in the Parent Company's authorized capital stock from ₱2 billion to ₱5 billion
- 95% increase in Fair value reserve was due to the higher fair market value of quoted equity securities during the year

 15% decrease in Retained Earnings was primarily due to the net loss incurred during the year

## **Results of Operation**

(Increase/decrease of 5% or more versus December 31, 2023 balances)

- 234% increase in Share in Profit of Associates was due to the rise in the Parent Company's share in the net equity earnings of MRTDC for the year ended December 31, 2024
- 26% decrease in Depot Royalty Income resulted from the reduction in the share in depot royalty income received by the Parent Company from Trinoma Mall. The higher income in 2023 included an additional royalty fee of ₱20.9 million covering the the years 2019 to 2023, received as a result of the Alternative Compliance Agreement signed in December, 2023
- 31% increase in General and Administrative Expense was primarily due to amortization of Right-of-Use assets and the listing fee paid to SEC in relation to the application for increase in the Parent Company's Authorized Capital Stock from ₱2 billion to ₱5 billion
- 100% decrease in Dividend income was due to the absence of dividends received from investments in quoted securities during the year
- 267% increase Finance cost pertained to the interest expense arising from the movement in lease liabilities for the year ended December 31, 2024
- 217% increase in Other Income was mainly due to interest income earned from advances to third parties
- 123% increase in Income Tax Benefit was attributable to the recognition of NOLCO during the year
- 151% increase in Fair Value Gain on Financial Assets at Fair Value Thru OCI was due to higher valuation of quoted securities in the current year compared to the previous year

## Review for the year ended December 31, 2023

## Financial position and results as at and for the year ended December 31, 2023

The Group's Net Income for the year ended December 31, 2023 amounted to ₱5,697,189. The current year registered an increase in Depot Royalty Income by 128.50% while Share in profit of Associates decreased by 68.55%. General and administrative expenses also increased by 37%.

Compared to the Net Income of ₱3,513,335 earned by the Group for the year ended, December 31, 2022, this year's net income increased by ₱2,183,854. The increase was mainly due to the significant increase in Depot royalty income and also due to the

dividend income received by the Parent Company from its investment in quoted equity securities, amounting to ₱2,871,466. No similar dividend was received by the Parent Company, last year.

## **Depot Royalty Income**

For the year ended December 31, 2023, the Group's share in Depot Royalty Income increased by 128.50% or ₱25,117,750 from ₱19,546,766 as of December 31, 2022, to ₱44,664,516 as of December 31, 2023. The increase was mainly due to the increase in gross rental income of Trinoma Commercial Center and the ₱20.6 million additional depot royalty income received from NTDCC during the year, as compensation for the non-completion of the development of various lot pads located in North Avenue, Quezon City, as per Alternative Compliance Agreement entered into by and between the Parent Company, Global Estate Resorts Inc., and NTDCC, dated December 14, 2023.

## General and Administrative Expenses

The Group's General and Administrative expenses increased by ₱13,161,313 or 37%, from ₱35,571,235 in December 31, 2022 to ₱48,732,548 in December 31, 2023, largely due to SEC listing fee amounting ₱6,061,070 in relation to the increase in Authorized Capital Stock of the Parent Company from ₱2 billion to ₱5 billion. Also, the increase was brought by the general and administrative expenses of Metro Solar Power Solutions, Inc. amounting ₱2,925,647 as a result of the consolidation, starting this year.

## **Financial Condition**

The Group's financial condition remained steady for the year ended December 31, 2023. The Group's Total Assets increased by P435,721,713 or 10.90%, from P3,996,881,550 as at December 31, 2022 to P4,432,603,263 as at December 31, 2023. On the other hand, the Group's Total Liabilities decreased by P421,086,734 or 30.94%, from P1,361,109,903 as at December 31, 2022 to P940,023,169 as at December 31, 2023; further, Stockholders Equity also increased by P856,808,447 or 32.51%, from P2,635,771,647 as at December 31, 2022 to P3,492,580,094 as at December 31, 2023.

## Total Assets

The ₱435,721,713 or 10.90% increase in the Group's Total Assets from ₱3,996,881,550 as at December 31, 2022 to ₱4,432,603,263 as at December 31, 2023, was mainly due to the recording of the Right-of-use Asset and Construction-in-Progress (under Property, and equipment), amounting ₱348,090,414 and ₱38,607,502, respectively, in relation to the acquisition of Metro Solar shares during the year.

The "Right-of-use asset" includes the value of the Solar Energy Service Contract, amounting to P341 million, which will pave the way for the creation of the Solar Power Project. The amount was based on the appraisal done by a third party contracted by the Parent Company.

There was an increase also of ₱45,494,990 or 245% in Trade and other Receivables mainly coming from the loan receivables of MSPSI from Solrev Energy, Inc. amounting ₱44,156,544.

## <u>Total Liabilities</u>

The decrease in the Group's Total Liabilities of ₱421,086,734 or 30.94% was mainly due to the decrease in Due to a Stockholder account.

Due to a Stockholder decreased by ₱434,793,480 or 61.92%, from ₱702,217,691 as of December 31, 2022 to ₱267,424,211 as of December 31, 2023, mainly due to the conversion of portion of the Group's liability to FEMI amounting ₱500,000,000 into deposit for future stock subscription.

## Stockholders' Equity

The increase in Stockholders' Equity of ₱856,808,447 or 32.51% was largely brought about by the recording of deposit for future stock subscription amounting ₱852,000,000 and the Net Income amounting ₱5,697,189.

## **KEY PERFORMANCE INDICATORS ("KPI")**

#### LIQUIDITY RATIOS

	December 31, 2023	December 31, 2022
Current Ratio	0.194	0.053
Quick Ratio	0.183	0.049

*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 2023 compared to December 2022 mainly due to the significant increase in the current assets of the Group.

## LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2023	December 31, 2022
Debt to Total Assets	0.21	0.34
Equity to Total Assets	0.79	0.66
Debt to Equity	0.27	0.52
Asset to Equity	1.27	1.52

*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 and Debt to Equity ratios in December 2023 decreased significantly due to conversion of a liability to deposit for future stock subscription.

On the other hand, Equity to Total Assets ratio increased due also to conversion of a liability to deposit for future stock subscription.

Asset to Equity ratio decreased in 2023 as against 2022 mainly due to increase in Total Stockholders' Equity as a result of the conversion of a liability into deposit for future stock subscription.

## **PROFITABILITY RATIOS**

	December 31, 2023	December 31, 2022
Return on Equity	0.0019	0.0013
Return on Assets	0.0014	0.0009
Earnings per Share	0.0029	0.0018

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 higher Net Income realized by the Group in December 2023.

## Material Changes in the year ended December 31, 2023 Financial Statements

## **Financial Position**

(Increase/decrease of 5% or more versus December 31, 2022 balances)

- 851% increase in Cash and cash equivalents was in view of the significant collection of the receivables from NTDCC during the year
- 245% 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 and the consolidation of Metro Solar's loan receivables from Solrev Energy, Inc.
- 166% 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), input VAT and other advances
- 64% decrease in Investments in Associates was brought about by the decrease in the Group's share in the net equity earnings of MRTDC
- 100% increase in Property and equipment mainly pertains to the construction costs of Metro Solar's development of a 65-megawatt solar farm project in Pililia, Rizal
- 100% increase in Right-of-use asset and Lease liability pertains to the recognition of right-of-use asset and lease liabilities in connection with the acquisition by the Parent Company of Metro Solar shares. (Please refer to Notes 10 and 11 of the Consolidated Financial Statements for more details.)
- 94% increase in Deferred Tax Asset was due to recording of additional deferred income taxes from payment of MCIT and recognition of tax benefit due to NOLCO
- 62% decrease in Due to a Stockholder was in view of the conversion of portion of FEMI advances into equity, which is recorded as part of Deposit for future Stock Subscription pending issuance of the share certificates to FEMI

- 5% decrease in Due to other related parties was due to offsetting dividend income received from MRT Devco against the Parent company's liability to MRT Devco
- 100% increase was due to the recognition of Deposit for future stock subscription as a result of the conversion into equity of portion of liability to a stockholder, amounting P500 million, and the assignment of MSPSI shares in by FEMI, valued at P352M
- 214% decrease in Fair value reserve due to further decline in the fair value of quoted equity securities during the year as against last year
- 12% increase in Retained Earnings mainly due to realized income during the year

## **Results of Operation**

(Increase/decrease of 5% or more versus December 31, 2022 balances)

- 68% decrease in Share in Profit of Associates was in view of the decrease in the Parent Company's share in the net equity earnings of MRTDC for the year ended December 31, 2023
- 128% 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
- 37% increase in General and Administrative Expense was mainly due to listing fee paid to SEC in relation to the application for increase in the Parent Company's Authorized Capital Stock from ₱2 billion to ₱5 billion and the consolidation of Metro Solar's general and administrative expenses starting this year as a result of the acquisition of the Metro Solar shares
- 100% increase in Dividend income due to consolidation to dividends received from investment in quoted security. No similar dividend was received last year
- 100% increase Finance cost pertains to the interest expense portion on the movement of lease liabilities for the year ended December 31, 2023
- 7501% increase in Other Income mainly pertains to interest income on advances to third parties
- 100% increase in Income Tax Benefit pertains to NOLCO recognized by Metro Solar during the year
- 17% increase in fair value gain on financial assets at fair value thru OCI due to higher valuation of quoted securities this year as against last year

## 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 P16,069,884 or 0.40%, from P3,980,811,666 as at December 31, 2021 to P3,996,881,550 as at December 31, 2022. On the other hand, the Group's Total Liabilities also increased by P13,627,522 or 1.01%, from P1,347,482,381 as at December 31, 2021 to P1,361,109,903 as at December 31, 2022; further, Stockholders Equity also increased by P2,442,362 or 0.09%, from P2,633,329,285 as at December 31, 2021 to P2,635,771,647 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.

## <u>Total Liabilities</u>

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, 202	
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

#### Item 7. Financial Statements

Refer to the Audited Financial Statements of the Metro Global Holdings Corporation and its Subsidiaries as of December 31, 2024 and 2023, 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, 2024, as recommended by the Audit Committee to the Board of Directors and subsequently approved by the stockholders during the Annual Stockholders Meeting held on July 25, 2024, 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	Term	Years
	C	_	Position		Served
Robert John L. Sobrepeña	70	Filipino	Chairman of	29	1996 - 2025
			the Board		
Ferdinand T. Santos	74	Filipino	President	29	1996 - 2025
Noel M. Cariño	70	Filipino	Director	29	1996 - 2025
Rafael Perez de Tagle, Jr.	70	Filipino	Director	25	2000 - 2025
Roberto S. Roco	72	Filipino	Director	21	2004 - 2025
Alice Odchigue-Bondoc	58	Filipino	Director	21	2004 - 2025
Francisco C. Gonzalez	81	Filipino	Director,	15	2010 - 2025
			Independent		
Jaime M. Cacho	69	Filipino	Director	7	2018 - 2025
Jose Wilfrido M. Suarez	75	Filipino	Director,	3	2022 - 2025
			Independent		
Gilbert Raymund T. Reyes	67	Filipino	Corporate	22	2003 - 2025
			Secretary		

**ROBERT JOHN L. SOBREPEÑA,** Filipino, age 70, 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 74, 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 70, 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 70, 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 72, 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 58, 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 81, 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 69, 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 75, 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 67, 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 2024 and 2023 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:**

					Other Annual	
	Name & Position	Year	Salary	Bonus	Compens ation	Total
		Teal	Salary	Donus	ation	TOtal
	The CEO and four (4) most					
	highly compensated					10.0
Α	executive officers	0004	19.3			19.3
•		2024	Million	-	-	Million
	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					
	All other officers and		6.6			6.6
В.	directors as group unnamed	2024	Million	-	-	Million

					Other Annual	
	Name & Position	Year	Salary	Bonus	Compensation	Total
	The CEO and four (4) most					
	highly compensated					
	executive officers		13.4			13.4
А.		2023	Million	-	-	Million
	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					
	All other officers and		0.39			0.39
В.	directors as group unnamed	2023	Million	-	-	Million

					Other Annual	
	Name & Position	Year	Salary	Bonus	Compensation	Total
	The CEO and four (4) most					
	highly compensated					
	executive officers		14.9			14.9
A.		2022	Million	-	-	Million
	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					
	All other officers and		0.82			0.82
В.	directors as group unnamed	2022	Million	-	-	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 13<sup>th</sup> month pay.

<u> </u>				Other Annual
Name	Position	Salary	Bonus	Compensation
		2		(Per Diem)
Robert John L. Sobrepeña	Chairman of the			Php20,000.00
_	Board			-
Atty. Ferdinand T. Santos	President			Php20,000.00
Noel M. Cariño	Director			Php20,000.00
Rafael Perez de Tagle, Jr	Director			Php20,000.00
Roberto S. Roco	Director			Php45,000.00
Jaime M. Cacho	Director			Php20,000.00
Francisco C. Gonzalez	Director,			Php45,000.00
	Independent			_
Jose Wilfrido M. Suarez	Director,			Php50,000.00
	Independent			
Atty. Alice O. Bondoc	Director, SVP for			Php20,000.00
	Good Governance,			
	Compliance Officer,			
	Assistant Corporate			
	Secretary			
Atty. Gilbert Raymund T.	Corporate Secretary			Php10,000.00
Reyes				
Group Compensation 2024		Php19.3 M		0
Group Compensation 2023		Php13.4M		0
Group Compensation 2022		Php16.0M		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 **P**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, 2024, 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	Fil-Estate Management, Inc.	Filipino	2,454,750,194	89.26%

Fil-Estate Management, Inc. ("FEMI") is the parent of the Company. FEMI is owned by the following persons: Robert John L. Sobrepena (32%), Atty. Ferdinand T. Santos (27%), Noel M. Carino (27%) and Mamerto Marcelo (14%) as Receiver for Bank of Commerce as Trustee for CAP Philippines, Inc. and a Bank of Commerce as Trustee for Comprehensive Annuity Plans and Pension Corporation.

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.

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	.009%
	Ferdinand T. Santos	1,000	Filipino	.000%
	Noel M. Cariño	1,506,500	Filipino	.055%
	Solita S. Alcantara	15,000	Filipino	.000%
	Gilbert Reyes	1,903,514	Filipino	.069%
	Jaime M. Cacho	1	Filipino	.000%
	Alice Odchigue-Bondoc	1	Filipino	.000%
	Roberto S. Roco	1	Filipino	.000%
	Francisco C. Gonzales	1,000	Filipino	.000%
	Rafael Perez de Tagle Jr.	1,000	Filipino	.000%
	Jose Wilfrido M. Suarez	1	Filipino	.000%
	TOTAL	3,669,018		.133%

## (2) Security Ownership of Management

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 89.26% 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) On February 1, 2024, the Securities and Exchange has approved the following amendments to the Amended Articles of Incorporation of the Company:
  - 1. Amendment of the primary purpose to allow the engagement of the Company into development of solar, wind and other renewable energy generation facilities; and
  - 2. Amendment to the increase of the Authorized Capital Stock of the Company from P2 billion consisting of Two Billion Shares at par value of P1.00 per share to P5 billion consisting of Five Billion Shares at par value of P1.00 per share.

Attached are copies of the Certificates of Filing of Amended Articles of Incorporation and Certificate of Approval of Increase in Capital Stock issued by the Securities and Exchange Commission.

b) On February 22, 2024, Metro Global Holdings Corporation submitted to the Securities and Exchange Commission the letter of Postponement of 2024 Annual Stockholders Meeting.

The shareholders of Metro Global Holdings Corporation (MGH) approved in its Annual Meeting last 12 October 2023, the amendment of the Company's By-Laws to move from the 1<sup>st</sup> Thursday of March to last Thursday of July of each year.

- c) On June 20, 2024, Metro Global Holdings Corporation notified the SEC of the proposed term extension for an additional one (1) year for Independent Director Francisco C. Gonzales, who is reaching the term limit at the end of the 2023–2024 Board term. This extension was approved by the Board of Directors during their meeting on June 20, 2014, and was approved by the shareholders of record at the Annual Stockholders' Meeting on July 25, 2024.
- d) On July 25, 2024, Metro Global Holdings Corporation submitted to the Securities and Exchange Commission the Results of 2024 Annual Stockholders Meeting and Organization Meeting of the Board of Directors.

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 Meeting of the Stockholders of the Metro Global Holdings Corporation (the "Company") held today, July 25, 2024, 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 91.26% 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 12 October 2023. The Company received votes in person and by proxy a total of 91.26% of common shares in favor of the approval of the Minutes of the Annual Meeting of Stockholders held on 12 October 2023.
  - 2.2 The stockholders approved the Annual Report and Audited Financial Statements of the Company for the calendar year ended 31 December 2023. The Company received votes in person and by proxy a total of 91.26% of common shares in favor of the approval of the Audited Financial Statements of the Company for the calendar year ended 31 December 2023.
  - 2.3 The stockholders confirmed and ratified all acts, contracts, resolutions and proceeding made and entered into by Management and/or the Board of Directors and the various Committees constituted pursuant to the Code of Corporate Governance from October 12, 2023 up to the present. The Company received votes in person and by proxy a total of 91.26% of common shares in favor of the approval of the confirmation and ratification of all acts, 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 from October 12, 2023 up to the present.

- 2.4 The stockholders approved the extension of the Board term of Independent Director Francisco C. Gonzalez for another year following his previous 9year term limit.
- 2.5 The stockholders approved the appointment of Isla Lipana & Co. as the Company's independent external auditor.
- 3. The stockholders, who voted in person and by proxy a total of 91.26% of common shares of the Company, elected the following directors for the ensuing year.
  - 3.1 Robert John L. Sobrepena
  - 3.2 Atty. Ferdinand T. Santos
  - 3.3 Noel M. Carino
  - 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 Jose Wilfrido M. Suarez Independent
- 4. In the Organization Meeting of the Board of directors of the Company held on 25 July 2024 immediately 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. Sobrepena
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 Gove Compliance Officer, Corporate Information Officer & Asst. Corp Secretary		e -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 constitution of the following Board Committees:

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

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

## (3) <u>AUDIT COMMITTEE</u>

Chairman:	Francisco C. Gonzalez (Independent Director)
Members:	Jose Wilfrido M. Suarez (Independent Director)
	Roberto S. Roco
	Solita S. Alcantara

## (4) CORPORATE GOVERNANCE COMMITTEE

Chairman:	Jose Wilfrido M. Suarez (Independent Director)
Members:	Francisco C. Gonzalez (Independent Director)
	Robert John L. Sobrepena
	Atty. Ferdinand T. Santos
	Rafael Perez de Tagle, jr.
	Atty. Alice Odchigue-Bondoc

## (5) BOARD RISK OVERSIGHT COMMITTEE

Chairman: Jose Wilfrido M. Suarez (Independent Director) Members: Francisco C. Gonzalez (Independent Director) Atty. Ferdinand T. Santos Atty. Alice Odchigue-Bondoc

#### (6) RELATED PARTY TRANSACTIONS COMMITTEE

Chairman:	Francisco C. Gonzalez (Independent Director)
Members:	Jose Wilfrido M. Suarez (Independent Director)
	Roberto S. Roco
	Ramon G. Jimenez

- 6. The Board approved the appointment of Banco de Oro Stock Transfer Services as stock transfer agent.
- e) On December 20, 2024, Metro Global Holdings Corporation submitted to the SEC, in compliance with the Commission's requirements under SEC Memorandum Circular No. 19, Series of 2016, the Certificates of Attendance for the Company's Directors and Key Officers. These certificates pertain to the four-hour Annual Corporate Governance Seminar for the year 2024, conducted by the Center for Global Best Practices on December 17, 2024. The seminar covered topics such as Corporate Governance in the Digital Age and Global Standards in Artificial Intelligence (AI) Management. The Company received these certificates on December 20, 2024.

#### 2) 2024 Sustainability Report

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#### SECURITIES AND EXCHANGE COMMISSION

#### SEC FORM 17-C

## OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

# February 5, 2024 Date of Report (Date of earliest event reported)

- 2. SEC Identification Number: 9124 3. BIR Tax Identification No. 000-194-408-000
- Metro Global Holdings Corporation Exact name of issuer as specified in its charter
- 5. Metro Manila, Philippines

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

(SEC Use Only)

- 7. Mezzanine Renaissance Towers, Meralco Ave., Pasig City Address of principal office Postal Code
- (632) 8633-6205
   Issuer's telephone number, including area code
- N.A Former name or former address, if changed since last report
- 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

5,000,000,000 share

11. Indicate the item numbers reported herein: Item 9

Please be advised that on 1 February 2024, the Securities and Exchange Commission has approved the following amendments to the Amended Articles of Incorporation of the Company:

 Amendment of the primary purpose to allow the engagement of the Company into development of solar, wind and other renewable energy generation facilities; and

SEC Form 17-C December 2003  Amendment to increase the authorized capital stock of the Company from P2 billion consisting of Two Billion Shares at par value of P1.00 per share to P5 billion consisting of Five Billion shares at par value of P1.00 per share.

Attached are copies of the Certificate of Filing of Amended Articles of Incorporation and Certificate of Approval of Increase in Capital Stock issued by the Securities and Exchange Commission.

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: February 5, 2024

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By:

ALICE ODCHIGUE-BONDOC SVP-Good Governance & Compliance Officer

SEC Form 17-C December 2003



REPUBLIC OF THE PHILIPPINES SECURITIES AND EXCHANGE COMMISSION The SEC Headquarters 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1209, Metro Manila

COMPANY REG. NO. 9142

#### CERTIFICATE OF FILING OF AMENDED ARTICLES OF INCORPORATION

#### KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the amended articles of incorporation of the

#### METRO GLOBAL HOLDINGS CORPORATION (Amending Articles II Primary Purpose and VII thereof)

copy annexed, adopted on <u>September 24, 2018</u> by a majority vote of the Board of Directors and on <u>November 22, 2018</u> by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Assistant Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 15 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, preneed plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed to this Certificate at The SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1209, Metro Manila, Philippines, this 24 day of February, Twenty Twenty-Four.

> GERARDO F. DEL ROSARIO Director Company Registration and Monitoring Department

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METRO GLOBAL HOLDUNCE	SEC Registration No.
(Company's Full Name)	
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TOWERLIMEDAL	SANCE
(Business Address: No. Street City/ Town/ Province)	SIG
ALICE ODCHIGUE-BONDOC 63	336205 loc. 113
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APPLICATION FOR AMENDMENT OF ARTICLES OF INCORPORATION Month Day fiscal year FORM TYPE	1st Thursday of March Month Day
Listed	annual meeting
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## AMENDED ARTICLES OF INCORPORATION of METRO GLOBAL HOLDINGS CORPORATION

# KNOW ALL MEN BY THESE PRESENTS:

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That we, a majority of whom are residents of Philippines, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the Philippines :

## AND WE DO HEREBY CERTIFY :

FIRST: That the name of the Corporation shall be :

## "METRO GLOBAL HOLDINGS CORPORATION"

SECOND: That the purposes for which the said Corporation is formed are the following:

#### PRIMARY PURPOSE

To, acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with, and otherwise operate, manage, enjoy and dispose of any and all properties of every kind and description and wherever situated, as and to the extent permitted by law, including but not limited to, buildings, <u>solar</u>, wind and other renewable energy <u>generation facilities</u>, tenements, warehouses, factories, edifices, and structures and other improvements; to acquire by purchase or lease, or otherwise, lands and interest in lands, and to own, hold, improve, develop, manage any real property so acquired and to erect or cause to be erected on any lands owned, held or occupied by the corporation, buildings or other structures now or after erected on any lands so owned held or occupied; to acquire or otherwise deal in bonds, debentures, promissory notes, shares of capital stock, or other securities or other securities or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic and while the owner, holder, or possessor thereof, to

Page 1 of 10

exercise all the rights, powers, and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all rentals, dividends, interests and income, derived therefrom, and the right to vote on any proprietary or other interests, on any shares of the capital stock, and upon any bonds, debentures, or other securities having voting power, so owned or held; and provided that it shall not engage in the business of an open-end or close-end investment company as defined in the Investment Company Act (Republic Act No. 2629) or act as securities broker or dealer. (As Amended on 22 November 2018).

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#### SECONDARY PURPOSE

Subject to the provisions of the Corporation Code and other applicable laws, to invest its funds in any other corporation or business or for any other purpose other than the above-stated primary purpose.

And in pursuance of above stated purposes, the Corporation shall have the power:

- (a) To prospect for mine extract, dig for, or otherwise obtain from earth, petroleum and rocks or carbon oils, natural gas, and other volatile minerals, chemicals substances and salts, as well as others minerals of whatever nature whether similar or dissimilar to these listed herein, and to manufacture, refine, prepare for market, buy, sell and transport and otherwise deal with petroleum and other minerals of whatever nature similar or dissimilar to these listed herein, and to manufacture, refine, prepare for market, buy, sell and transport and otherwise deal with petroleum and other minerals of whatever nature whether similar or dissimilar thereto, their products, compounds, and derivatives and other mineral and chemical substances, in crude or refined condition.
- (b) To acquire petroleum, gas and oil lands, leaseholds, franchises, privileges, concessions and other interests in real estate and gas, oil and other rights.
- (c) To construct and maintain conduits, pipelines, and lines of tubing for the public generally as well as for the use of said Corporation, and to lay, rig, buy, lease, sell and otherwise contract for, and operate said

conduits, pipelines and lines to tubings, as well as storage tanks, railways, tramways, roadways and tracks, for the purpose of transporting and storing oil and gas, and of operating a general pipeline and storage business.

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(d) To buy, sell, charter, operate and maintain tank steamers and other vessel of all kinds for the transportation of merchandise dealt in by the Corporation.

(e) To construct and maintain telegraph and telephone lines necessary or convenient in the operation of the business of the Company.

(f) To extract and otherwise obtain and prepare for market such other valuable minerals, chemicals or other materials as may be discovered in the course of developing the lands of the Company.

(g) To construct, maintain, and operate gas wells, oil wells, and refineries, and to buy, sell, and otherwise deal in gas, oils, and salts and their derivatives or products.

(h) To carry on in connection with any or all of the aforementioned purposes the business of importing, buying, selling, and otherwise dealing with equipment, machinery, supplies and accessories and to transact all business properly connected with or incidental to any or all of said objects and purposes.

(i) To purchase, lease, or otherwise acquire such real and personal property in any part of the Philippines or elsewhere, as the purposes for which the Corporation is formed may permit, and as may be reasonably required for the transaction of its lawful business; and to hold, maintain, conduct, use and operate and to lease, sell, mortgage, or otherwise dispose of any such real or personal property of any character owned in any manner held it, upon any terms.

(j) To purchase or otherwise acquire the whole or any part of the goodwill, property and assets, and to undertake all or any part of the

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business, property and liabilities of any person, partnership, corporation or other associations, carrying on any business similar to that for which this Corporation is authorized to carry on, or possessed of property suitable for the purpose of the Corporation, and to pay for the same in cash, or in stock, bonds or other securities of the Corporation or otherwise.

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- (k) To buy or otherwise acquire any inventions, improvements and processes relating to the refining of petroleum or the processing of its products, secured under letters, patents or licenses in respect to the same, and to use, exercise, develop and sell such inventions, improvements and processes and to grant licenses of the things respecting the same.
- (I) to borrow or raise money for the purpose of the Corporation by making, Issuing, accepting, indorsing and executing promissory notes, bills of exchange, bonds, debentures, certificates of indebtedness and other negotiable Instrument but not exclusive of such other means or manner as the Corporation's Board of Directors shall think fit; and to secure the payment of said obligations or any of them by mortgage, pledge, letter of hypothecation, or other liens or charges upon all or any part of the undertakings, revenues, rights and property of the Corporation, and to exchange or vary from time to time any of such securities and to redeem, on any terms, the debts or obligations secured by them before the same shall fall due, if it shall see fit so to do.
- (m) To purchase, invest in, purchase or otherwise acquire the stocks, bonds and other securities or evidences of indebtedness of any other association or corporation, domestic or foreign, owning property necessary for its business and to issue in exchange therefor in cash, of otherwise, to hold for investment or otherwise, own, use, sell,

deal-in, dispose of, and turn to account any such stocks, bonds or other securities, and while the owner or holder thereof to exercise all the rights and power of ownership, including the right to vote thereon for any purposes; to do any acts or things necessary or proper for the protection or development of any such association or corporation or for the preservation, improvement or enhancement of the value of any such stock, bonds or other securities, or any acts or things designed for any such purpose; and to control and manage the affairs, and take over and carry on all or any part of the business or property of any such association or corporation provided that they are such as may be lawfully acquired and conducted by a corporation organized under the laws of the Philippines.

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(n) To sell all or part of the rights, property, or undertakings of the Corporation for such consideration as the Corporation may deem fit and in particular for shares, debentures or securities of any other corporation.

- (o) To make and enter into contracts and arrangements of every name and nature in furtherance of the purposes of the Corporation with the Government of the Republic of the Philippines or with any foreign corporation or with any other corporation or association, public or private.
- (p) To register the Corporation, or to secure a license to do business, in any foreign country or place.
- (q) To do all such the other things as are incidental or conducive to the attainment of the above objects or any of them, or which may be conveniently carried on and done in connection therewith, or which may be calculated directly indirectly to enhance the value of, or render profitable any business or property of the Corporation, always provided that nothing shall be done in connection with any of the

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above objects with a hibited by any laws of the Philippines now or hereafter existing.

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(i) Without in any particular limiting the powers and provided that the Corporation shall have the power to make and perform contracts of any kind and description with any person, form or corporation, whether public or private, without limit as to amount, and particularly, but not by way of limitation, to make and perform contracts creating tights, easements and other privileges respecting any of the property, real or personal, or any kind owned by the Corporation; to have one or more office out of the Philippines, and to conduct its functions and exercise its powers in any part of the Philippines, or in any other country; and in carrying on its business and for the purpose of attaining or furthering its purpose or powers to do any and all other powers which a natural person could do and exercise and which now or hereafter may be authorized by law.

The foregoing chooses shall be construed both as objects and powers of the Corporation, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the general powers of the Corporation.

THIRD: That the place where the principal office of the Corporation is to be established or located in Mendaluyong, Metro Manila.

yoars from and after the date of incorporation which said Corporation is to exist is fifty (50)

fifty (50) years or up to September 17, 2054. (As amended on September 30, 2002); August 19, 2004) -FIFTH: That the names and residences of the incorporators of said Corporation are as follows:

# Name

### Residence

- 1. Chester A. Baird
- 2. Vicente J. Francisco
- 3. Baroness Anna J. Vom Hagen
- 4. Bethea A. Martin
- 5. Proceso Sebastian

Manila Quezon City Manila Manila Manila

SIXTH: That the number of said Corporation shall be NINE (9) and that the names and residences of the directors of the Corporation who are to serve until their successors are elected and qualified as provided by the by-laws, are as follows:

Name	Nationality	Residence
1. John W. Buckley	American	New York, New York, USA
2. Louis W. Storms	- do	Houston, Texas, USA
3. Chester A. Baird	- do	Manila
4. Vicente J. Francisco	Filipino	Quezon City
5. Baroness Anna J. Vom		
Hagen	American	Manila
6. Bethea A. Martin	American	Manila
7. Proceso Sebastian	Filipino	Manila

SEVENTH: <u>That the capital stock of the said Corporation is FIVE BILLION</u> <u>PESOS (5,000,000,000,00)</u>. <u>Philippine Currency, divided into FIVE BILLION</u> (5,000,000,000) shares with a par value of One Peso (1.00), <u>Philippine Currency, per</u> <u>share</u>. (As Amended on 22 November 2018).

Unless otherwise determined by the Board of Directors, no holder of the capital stock of this Corporation shall be entitled, as a matter of right, to purchase or subscribe for any stock of any class which the Corporation may issue or sell, whether out of the capital stock now or hereafter authorized to be issued by the Corporation or out of the shares of the Corporation acquired by it after the issue thereof.

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No transfer of shares of stock of the Corporation which will reduce the stock ownership of Filipino citizens to less than the minimum percentage of the outstanding capital stock required by law to be owned by Filipino citizens shall be allowed or permitted to be recorded in the books of the Corporation. Any transfer made in violation hereof shall be null and void and shall not be registrable in the books of the Corporation.

These restrictions shall be indicated in all stock certificates to be issued by the Corporation.

EIGHT: That the amount of said capital stock which has been actually subscribed is EIGHTY ONE THOUSAND FIVE HUNDRED (81,500,000) PESOS, and the following persons have subscribed for the number of shares and amount of capital stock set out after their respective names:

1 ( A C + ) + ) + ( A C + ) +			
Name	Residence	No, of Shares	Amount of Capital Stock Subscribed
1. John W. Buckley	New York, N.Y, USA	80,000	80,000.00
2. Louis W. Storms	Houston, Texas, USA	10.27	
3. Chester A. Baird	Manila	1,000	1,000.00
4. Vicente J. Francisco		100	100.00
5. Baroness Anna J. Vom H	Quezon: City	100	100.00
6. Bethea A. Mortin	2019-1910 Decretori dectre	100	100.00
7. Proceso Sebastian	Manila	100	100.00
	Manila	100	100.00
		81,000	81,500.00

NINTH: That the following persons have paid on the shares of capital stock for which they have subscribed in the amounts set out after their respective names:

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Name	Residence	Amount Paid on Subscription
<ol> <li>John W. Buckley</li> <li>Louis W. Storms</li> <li>Chester A. Baird</li> <li>Vicente J. Francisco</li> <li>Baroness Anna J.</li> </ol>	New York, N.Y., USA Houston, Texas, USA Manila Quezon City	20,000.00 1,000.00 100.00 100.00
Vom Hagen 6. Bethea A. Martin 7. Proceso Sebastian	Manila Manila Manila	100.00 100.00 100.00
¥.	TOTAL	21,500.00

TENTH: That BETHEA A. MARTIN has been elected by the subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and qualified, in accordance with the by-laws, and that as such Treasurer he has been authorized to receive for the Corporation and to receipt in its name for all subscriptions paid in by said subscribers.

IN WITNESS WHEREOF, we have hereunto set out hands this 9th day of September, 1954, in the City of Manila, Philippines

(Sgd.) Chester A. Baird (Sgd.) Vicente J. Francisco Chester A. Baird Vicente J. Francisco

> (Sgd.) Baroness Anna J. Vom Hagen Baroness Anna J. Vom Hagen

(Sgd.) Bethea A. Martin Bethea A. martin

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(Sgd.) Proceso Sebastian Proceso Sebastian

In the presence of:

G

(Sgd.) Abraham Briones

(Sgd.) Herminio B. Banico

Republic of the Philippines ) City of Manila )s.s.

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interest or many

BETHEA A. NARTIN, being first duly sworn, deposes and says that on the 9th day of September, A.D. Nineteen Hundred and Fifty Four, he was duly elected by the subscribers named in the foregoing Articles of Incorporation as Treasurer of the corporation to act as such until his successor has been duly elected and qualified in accordance with the by-laws of the corporation and that as such Treasurer he has been authorized by the subscribers to receive for the corporation all subscriptions paid in by the subscribers for the capital stock; that Eighty-One Thousand Five Hundred (81,500) shares of stock has been actually subscribed and that of said subscriptions Twenty-One Thousand Five Hundred (21,500.00) pesos has been paid to him in cash and received by him for the benefit and to the credit of the entire capital stock has been subscribed and twenty-five per centrum of the subscription has been actually paid to him in cash and has been received by him for the benefit and to the origital stock has been actually paid to him in cash and has been received by him for the benefit and to the credit of the corporation.

> (Sgd.) BETHEA A. MARTIN Bethea A. Martin

SUBSCRIBED AND SWORN, to before me this 9th day of September 1954 in the City of Manila, affiant exhibiting his Residence Certificate No. A-0364302, issued at Manila, on August 16, 1954.

> (Sgd.) Ricardo J. Francisco Notary Public Until December 31, 1954

> > ged

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Doc. No. 290 Page No. 60 Book No. I Series of 1954

# DIRECTORS' CERTIFICATE

# KNOW ALL MEN BY THESE PRESENTS:

WE, the undersigned, being a majority of the members of the Board of Directors and the Corporate Secretary of **METRO GLOBAL HOLDINGS CORPORATION** (the "Corporation"), do hereby certify that:

At the special meeting of the Board of Directors duly held on 24 September 2018 at the Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City, wherein majority of the members of the Board of Directors were present, and the vote of the stockholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of the Corporation on 22 November 2018 at Batanes Room, Edsa Shangri-la Manila, 1 Garden Way, Ortigas Center, Mandaluyong, the amendment of the Primary Purpose and the amendment to Increase the Authorized Capital Stock of the Corporation were considered and approved, thereby amending the Article Second and Seventh of the Corporation's Amended Articles of Incorporation to read as follows:

#### ARTICLE SECOND

"SECOND: That the purposes for which said Corporation is formed are the following:

To, acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with, and otherwise operate, manage, enjoy and dispose of any and all properties of every kind and description and wherever situated, as and to the extent permitted by law, including but not limited to, buildings, solar, wind and other renewable energy generation facilities, tenements, warehouses, factories, edifices, and structures and other improvements; to acquire by purchase or lease, or otherwise, lands and interest in lands, and to own, hold, improve, develop, manage any real property so acquired and to erect or cause to be erected on any lands owned, held or occupied by the corporation, buildings or other structures including solar, wind and other renewable power generation facilities now or after erected on any lands so owned, held or occupied; to acquire or otherwise deal in bonds, debentures, promissory notes, shares of capital stock, or other securities or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic and while the owner, holder, or possessor thereof, to exercise all the rights, powers and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all rentals, dividends, interests and income, derived therefrom, and the right to vote on any proprietary or other interests, on any shares of the capital stock, and upon any bonds, debentures, or other securities having voting power, so owned or held; and provided that it shall not engaged in the business of an open-end or close-end investment company as defined in the Investment Company Act (Republic Act No.

2629) or act as securities broker or dealer (as amended on 22 November 2018)."

## ARTICLE SEVENTH

"That the capital stock of the said Corporation is <u>FIVE BILLION</u> <u>PESOS (P5,000,000,000,000)</u> Philippine Currency divided into <u>FIVE BILLION (5,000,000,000)</u> shares with a par value of One Peso (P1.00) Philippine Currency per share (as amended on 22 November 2018)."

IN WITNESS WHEREOF, we have hereunto affixed our DEC in signatures this 6003 DASIG ATTY. FERDINAND T. SANTOS JOHN L. SOBREPEN Director hairman/Director TIN 106-807-161 KIN106-808-899 Winkl JAIME M. CACHO OEL M. CARINO Director Director TIN 104-592-872 809-774 TIN ANCISCO CONZALEZ ROBERTO S. ROCO FRANCISCO Director TIN 105-744-632 TIN 122-930-742 RAFAEL R. PEREZ DE TAGLE, JR. EDUARDO R. SANTOS Independent Director Director TIN 111-082-202 TIN 106-808-530 ATTY. ALICE ODCHIGUE-BONDOC Director & Asst. Corporate Secretary TIN 165-723-045 to before me this

**SUBSCRIBED** AND **SWORN** to before me this me their valid identifications, to wit:

# Name

# Valid ID

Robert John L. Sobrepeña	TIN 106-808-899
Atty. Ferdinand T. Santos	TIN 106-807-161
Noel M. Cariño	TIN 106-809-774
Jaime M. Cacho	TIN 104-592-872
Francisco C. Gonzalez	TIN 122-930-742
Roberto S. Roco	TIN 105-744-632
Eduardo R. Santos	TIN 111-082-202
Rafael Perez De Tagle, Jr.	TIN 106-808-530
Atty. Alice Odchigue-Bondoc	TIN 165-723-045

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Doc. No. 459; Page No. 91; Book No. 104 Series of 2018.

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## MARKETS AND SECURITIES REGULATION DEPARTMENT

#### MEMORANDUM

то	(B)	Company Registration and Monitoring Department
FROM		Markets and Securities Regulation Department
SUBJECT		METRO GLOBAL HOLDINGS CORPORATION
DATE	30	9 August 2023

This refers to your Memo dated 3 August 2023, which was received by our Department on 7 August 2023, requesting for comments and/or recommendations regarding the proposed amendments of the Amended Articles of Incorporation ("AOI") of METRO GLOBAL HOLDINGS CORPORATION (the "Company"), to wit:

FROM	то
SECOND : To, acquire by purchase, exchange,	SECOND : To, acquire by purchase, exchange
assignment, gift or otherwise, and to hold, own and	assignment, gift or otherwise, and to hold, own and
use for investment or otherwise, and to sell, assign,	use for investment or otherwise, and to sell, assign
transfer, exchange, lease, let, develap, mortgage,	transfer, exchange, lease, let, develop, mortgage
pledge, traffic, deal in, and with, and otherwise	pledge, traffic, deal in, and with, and otherwise
operate, manage, enjoy and dispase of any and all	operate, manage, enjoy and dispose of any and all
properties of every kind and description and	properties of every kind and description and
wherever situated, as and to the extent permitted by	wherever situated, as and to the extent permitted by
law, including but not limited to, buildings,	law, including but not limited to, buildings, solar,
tenements, warehouses, factories, edifices, and	wind and other renewable energy generation
structures and other improvements; to acquire by	facilities, tenements, warehouses, factories, edifices,
purchase or lease, or otherwise, lands and interest in	and structures and other improvements; to acquire
lands, and to own, hold, improve, develop, manage	by purchase or lease, or otherwise, lands and interest
any real property so acquired and to erect or cause	in lands, and to own, hold, improve, develop, manage
to be erected on any lands owned, held or occupied	any real property so acquired and to erect or cause
by the corporation, buildings or other structures	to be erected on any lands owned, held ar occupied
now or after erected on any lands so owned held or	by the corporation, buildings or other structures
occupied; to acquire or otherwise deal in bonds,	now or after erected on any lands so owned held or
debentures, promissory notes, shares of capital	occupied; to acquire or otherwise deal in bonds,
stock, or other securities or obligations, created,	debentures, prumissory notes, shares of capital
negotiated or issued by any corporation, association,	stock, or other securities or other securities or
or other entity, foreign or domestic and while the	obligations, created, negotiated or issued by any
owner, holder, or possessor thereof, to exercise all	corporation, ossociation, or other entity, foreign or
the rights, powers, and privileges of ownership or	domestic and while the owner, holder, or possessor
any other interest therein, including the right to	thereof, to exercise all the rights, powers, and
receive, collect and other securities or abligations,	privileges of ownership or any other interest therein,
created, negotiated or issued by any corporation,	including the right to receive, collect and other
association, or other entity, foreign or domestic and	securities or obligations, created, negotiated or
while the owner, holder, or possessor thereof, to	issued by any corporation, association, or other
exercise all the rights, powers, and privileges of	entity, foreign or domestic and while the owner,
ownership or any other interest therein, including	holder, or possessor thereof, to exercise all the rights,
the right to receive, collect and dispose of, any and	powers, and privileges of ownership or any other
ail rentals, dividends, interests and income, derived	interest therein, including the right to receive, callect

therefrom, and the right to vote on any proprietary or other interests, on any shares of lie, capital stock, and upon any bonds, debentures, or other se securities having voting power, so owned ar held; and provided that it shall not engage in the business of an open-end or close-end investment company as defined in the Investment Company Act {Republic Act No. 2629} or act as securities broker or dealer.	and dispose of, any and aii rentals, dividends, interests and income, derived therefrom, and the right to vote on any proprietary or other interests, on any shares of lie, capital stock, and upon any bands, debentures, or other se securities having voting power, so owned or held; and provided that it shall not engage in the business of an open-end or clase-end investment company as defined in the Investment Company Act (Republic Act No. 2629) or act as securities broker or dealer.
SEVENTH : That the capital stock of the said	SEVENTH : That the capital stock of the said
Corporation is TWO BILLION (P2,000,000,000,00)	Corporation is FIVE BILLION (P5.000.000.000.00)
Philippine Currency, divided into TWO BILLION	Philippine Currency. divided Into FIVE BILLION
(2,000,000,000) shares with par value of One Peso	(5.000.000.000) shares with par value of One Peso
(1.00) Philippine Currency per share (As Amended	(1.00) Philippine Currency per share (As Amended
on 22 November 2018)*	on 22 November 2018)*

Upon review of the request and documents annexed thereto, and the Company records, it appears that the proposed amendments are consistent with the disclosures made by the Company; hence, on this basis, the Department does not interpose any objection to the application for amendment of the AOI. Thus, within five (5) days from the approval of the application, the Company shall:

- FILE a duly accomplished Current Report (SEC Form 17-C), disclosing the Commission's approval of said amendment; and
- FILE a duly accomplished General Information Sheet (GIS) that reflects the new information, together with a cover letter signed by the Corporate Secretary (if applicable).

However, we noted that the proposed amendment was approved by the Board of Directors where a quorum was present and by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Company in its meeting held on 24 September 2018 and 22 November 2022, respectively.

In this regard, since the stockholders' approval of the amendment took place on 22 November 2022, as a rule, the Company is no longer allowed to file the application in view of the six (6) months period limitation of filing the application from stockholders' approval as prescribed under the last sentence of paragraph 3, Section 37 of the Revised Corporation Code of the Philippines, which provides:

#### "SEC. 37. Power to Increase or Decrease Capital Stock; Incur, Create or Increase Bonded Indebtedness.

XXX

The application with the Commission shall be made within six (6) months from the date of approval of the board of directors and stockholders, which period may be extended for justifiable reason.  $x \times x^*$  (emphasis supplied)

In the light of the foregoing, our Department nonetheless defers to the discretion of the Company Registration and Monitoring Department (CRMD) considering that it has primary jurisdiction over registration of corporations and partnerships in general, as well as amendments to the Articles of Incorporation and to By-laws. Furthermore, our comment or recommendation is limited merely to this Department's regulatory requirements and does not cover the substance of the application with respect to compliance with the Revised Corporation Code of the Philippines. Finally, it should be understood that the foregoing comment is without prejudice to the prerogative of this Department to impose the necessary penalty and initiate the appropriate proceeding against the Company and its Directors/Officers, Associated Person, and Salesman upon a proper finding of a violation of the relevant provisions of the Securities Regulation Code, its implementing Rules and Regulations, and other pertinent laws, rules and regulations, as may be necessary and applicable under the circumstances.

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Very truly yours,

Spice VICENTE GRACIANO P. FELTZMENIO, JR. Director

# TRANSMITTAL SLIP

TO:	MS. BLESS ARCEO
	Securities and Exchange Commission
FROM:	ATTY. ALICE O. BONDOC
	Assistant Corporate Secretary
	Metro Global Holdings Corporation
DATE:	23 JANUARY 2024

Received 3 ORGINAL copies of Request for Confirmation of Valuation

Received by:

lio Ino organ Signature over Printed name/Pate

(MSRD FORM for Request for Comments/Recommendations for CRMD Applications filed by MSRD regulated entities)

SECURITIES AND EXCHANGE COMMISSION PICC Secretariat Building, PICC Complex Roxas Boulevard, Pasay City

IAN 1 C 2019

Attention:

MARKETS AND SECURITIES REGULATION DEPARTMENT

Subject:

REQUEST FOR COMMENTS/RECOMMENDATION

Gentlemen:

This is to respectfully request your Department's comment and/or recommendation on the proposed application of our corporation/partnership to be filed with the Company Registration and Monitoring Department (CRMD), details of which are as follows:

NAME OF REQUESTING CORPORATION/PARTNERSHIP	METRO GLOBAL HOLDINGS CORP.
ADDRESS OF REQUESTING CORPORATION/PARTNERSHIP	Messamnie Fir. Renaissance Town, under Anc. Parig.
SEC REGISTRATION NO. (If applicable)	guz
TYPE OF SEC-ISSUED SECONDARY LICENSE (if applicable)	prinded Article
TYPE OF PROPOSED CRMD APPLICATION	
CONTACT PERSON	1/ Elenser S. Garrig
CONTACT NUMBERS	09096964065

Moreover, we also request that you furnish the CRMD a copy of your reply to our request. We have attached a copy of the aforesaid application for your review/evaluation only and for the purpose of the issuance of the Markets and Securities Regulation Department's (MSRD) comment and/or recommendation thereto. It is further understood that the MSRD is not responsible for the actual processing of the above-mentioned application of the corporation/partnership.

Finally, should there be any violation of any existing laws, rules and regulations implemented by the MSRD, the company undertakes to: (1) submit all the required report/s within seven (7) days from notification of approval of the application/s; and (2) pay the corresponding penalty.

Thank you.

Very truly yours. S. Galcia questing Corporation/Partnership) By:

(Signature over Printed Name of Authorized Representative)

Cathy/Oyie 8187164/8186080



REPUBLIC OF THE PHILIPPINES SECURITIES AND EXCHANGE COMMISSION The SEC Headquarters 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1209, Metro Manila

## COMPANY REG. NO. 9142

# CERTIFICATE OF APPROVAL OF INCREASE OF CAPITAL STOCK

# KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the increase of capital stock of the

# METRO GLOBAL HOLDINGS CORPORATION

from P2,000,000,000.00 divided into 2,000,000,000 shares of the par value of P1.00 each, to P5,000,000,000.00 divided into 5,000,000,000 shares of the par value of P1.00 each, approved by majority of the Board of Directors on September 24, 2018 and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock at a meeting held on November 22, 2018 certified to by the Chairman and the Assistant Secretary of the stockholders meeting and a majority of the Board of Directors of the corporation, was approved by the Commission on the date indicated hereunder in accordance with the provision of Section 37 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019. A copy of the Certificate of Increase of Capital Stock filed with the Commission is attached hereto.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed to this Certificate at The SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1209, Metro Manila, Philippines, this day of February, Twenty Twenty-Four.

> GERARDO F. DEL ROSARIO Director Company Registration and Monitoring Department

BA/ioo

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đ	12	Please check the appropriate mode of payment.	DEBIT FROM ACCOUNT DEC. 19, 2023
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COVER SHEET

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(Company's Full	Name)
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TOWER. MERALCO AV	
(Business Address: No, Street C	Ity/ Town/ Province)
ALICE ODCHIGUE-BONDOC	
0-00-00-00-00-00-00-00-00-00-00-00-00-0	6336205 loc. 113 Company Telephone Number
APPLICATION FOR IN	OPEAce
1 2 3 1 AUTHORIZE CAPITAL AMENDMENT OF ART	ICLES OF
Month Day fiscal year FORM Type	ON
Listed	Month Day annual meeting
Secondary License Type, If J	Applicable
Dept. Requiring this Doc.	
	Amended Articles Number/ Section
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To be accomplished by SEC Pers	onnel concerned
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# REPUBLIC OF THE PHILIPPINES)

# CERTIFICATE OF INCREASE OF CAPITAL STOCK AND AMENDED ARTICLES OF INCORPORATION OF METRO GLOBAL HOLDINGS CORPORATION

# KNOW ALL MEN BY THESE PRESENTS:

WE, the undersigned, being the majority members of the Board of Directors and Corporate Secretary of Metro Global Holdings Corporation (the "Corporation"), organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Mezzanine Floor, Renaissance Tower, Barangay Ugong, Meralco Avenue, Pasig City;

# DO HEREBY CERTIFY THAT;

1. At the meeting of the Board of Directors held on 24 September 2018 wherein a quorum was present, majority of the Board of Directors approved and adopted by resolution the amendment of Article Second of the Articles of Incorporation to expand the Primary Purpose to include investment in businesses engaged in solar, wind and other renewable energy generation facilities such that the Article Second shall read as follows:

### "SECOND"

"SECOND: That the purposes for which said Corporation is formed are the following:

To, acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with, and otherwise operate, manage, enjoy and dispose of any and all properties of every kind and description and wherever situated, as and to the extent permitted by law, including but not limited to, buildings, solar, wind and other renewable energy generation facilities, tenements, warehouses, factories, edifices, and structures and other improvements; to acquire by purchase or lease, or otherwise, lands and interest in lands, and to own, hold, improve, develop, manage any real property so acquired and to erect or cause to be erected on any lands owned, held or occupied by the corporation, buildings or other structures including solar, wind and other renewable power generation facilities now or after erected on any lands so owned, held or occupied; to acquire or otherwise deal in bonds, debentures, promissory notes, shares of capital stock, or other securities or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic and while the owner, holder, or possessor thereof, to exercise all the rights, powers and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all rentals, dividends, interests and income, derived therefrom, and the right to vote on any proprietary or other interests, on any shares of the capital stock, and upon any bonds, debentures, or other securities having voting power, so owned or held; and provided that it shall not engaged in the business of an open-end or close-end investment company as defined in the Investment Company Act (Republic Act No. 2629) or act as securities broker or dealer (as amended on 22 November 2018)."

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2. At the meeting of the Board of Directors held on 24 September 2018 wherein a quorum was present, majority of the Board of Directors approved and adopted by resolution the amendment of the Article Seventh of the Articles of Incorporation of the Corporation to increase the authorized capital stock of the Corporation from Two Billion Pesos (P2,000,000,000.00) divided into Two Billion (2,000,000,000) shares at par value of One Peso (P1.00) per share to Five Billion Pesos (P5,000,000,000.00) divided into Five Billion (5,000,000,000) shares at par value of One Peso (P1.00) per share such that the Article Seventh shall read as follows:

#### SEVENTH

"That the capital stock of the said Corporation is <u>FIVE BILLION PESOS</u> (P5.000.000.000 Philippine Currency divided into <u>FIVE BILLION</u> (5.000.000.000) shares with a par value of One Peso (P1.00) Philippine Currency per share (as amended on 22 November 2018).

3. The amendment of the Article Second of the Articles of Incorporation and the amendment of Article Seventh to increase the authorized capital stock were likewise ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation at their meeting held on 22 November 2018 at Batanes Room, Edsa Plaza Hotel, Mandaluyong City.

4. Out of the increase in the authorized capital stock of Three Billion Pesos (P3,000,000,000,000) representing Three Billion (3,000,000,000) shares at par value of One Peso (P1.00) per share, Seven Hundred Fifty Million Pesos (P750,000,000.00) haven subscribed by Fil-Estate Management, Inc. (FEMI) corresponding to Seven Hundred Fifty Million (750,000,000) shares at par value of One Peso (P1.00) per share out of which subscriptions, Five Hundred Million Pesos (P500,000,000.00) corresponding to Five Hundred Million (500,000,000) shares at par value of One Peso (P1.00) per share out of Five Hundred Million (500,000,000) shares at par value of One Peso (P1.00) per share have been partially paid via offset of debt of the Corporation to FEMI in the aggregate amount of Five Hundred Million Pesos (P500,000,000,000.00). This subscription was approved and ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation at their meeting held on 22 November 2018.

5. The actual indebtedness of the corporation as of 22 November 2018 amounts to Eight Hundred Million Two Hundred Seventy-Five Thousand One Hundred Forty-Eight Pesos (P800,275,148.00) only.

No bonded indebtedness has been incurred, created or increased as of date of the stockholders meeting.

7. The requirements of Section 16 and 38 of the Corporation Code of the Philippines has been complied with.

8. Attached is the true and correct copy of the Amended Articles of Incorporation.

1 ... IN WITNESS WHEREOF, we have hereunto affixed our signatures this PASIG CTI'S Lat . all FERDINAND T. SANTOS OHN L. SOBREPEÑA RØBER Director Chairman/Director TIN 106-807-161 TINA06-808-899 JAIME M. CACHO M. CARINO NØEI Director irector TIN 104-592-872 126-809-774 TUROBERTO S. ROCO Independent Director FRANCISC Director TIN 105-744-632 TIN 122-930-742 (KILLIN EDUARDO R. SANTOS EREZ DE TAGLE, JR. RAFAEL/ Independent Director Director TIN 111-082-202 TIN 106-808-530 ODCHIGUE-BONDO ATTY. AL Director & Asst. Corporate Secretar TIN 165-723-045 DEC 13, 2018 at

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_\_ at PASIG CITY, affiants exhibiting to me their valid identifications, to wit:

#### Name

Valid ID

Robert John L. Sobrepeña
Atty. Ferdinand T. Santos
Noel M. Cariño
Jaime M. Cacho
Francisco C. Gonzalez
Roberto S. Roco
Eduardo R. Santos
Rafael Perez De Tagle, Jr.
Atty. Alice Odchigue-Bondoc

TIN	106-808-899
TIN	106-807-161
	106-809-774
	104-592-872
	122-930-742
	105-744-632
	111-082-202
	106-808-530
TIN	165-723-045
	Crust II.

Doc. No. 479; Page No. 97; Book No. 104; Series of 2018.

#### REPUBLIC OF THE PHILIPPINES)

CITY OF MAKATT JS.S.

### TREASURER'S AFFIDAVIT OF METRO GLOBAL HOLDINGS CORPORATION

I, RAMON G. JIMENEZ, Filipino, of legal age, with residential address at 233 Bacood Street, Sta. Mesa, Manila, after being duly sworn in accordance with law, hereby depose and state that;

- 1. I am the duly elected and incumbent Treasurer of Metro Global Holdings Corporation (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City, to act as such in accordance with the by-laws of the Corporation, and that I have been authorized to receive for the Corporation all subscriptions paid in by the subscribers for the capital;
- As Treasurer, I have been authorized to receive, for and in behalf of the Corporation, all payments for the subscriptions in the increase in the authorized capital stock of the Corporation;
- 3. At the meeting of the Board of Directors held on 24 September 2018, wherein a quorum was present, a majority of the Board of Directors approved and adopted by resolution the increase in the authorized capital stock of the Corporation from Two Billion Pesos (P2,000,000,000.00) divided into Two Billion (2,000,000,000) shares at par value of One Peso (P1.00) each share to Five Billion Pesos (P5,000,000,000.00) divided into Five Billion (5,000,000,000) Common Shares at par value of One Peso (P1.00) each share;
- The increase was likewise ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation in their meeting held on 22 November 2018 at the Batanes Room, Edsa Shangri-la Manila, 1 Garden Way, Ortigas Center, Mandaluyong;
- 5. Out of the net increase in the authorized capital stock of Three Billion Pesos (P3,000,000,000.00) representing Three Billion (3,000,000,000) shares at par value of One Peso (P1.00) per share, Seven Hundred Fifty Million Pesos (750,000,000.00) have been subscribed and partially paid by Fil-Estate Management, Inc., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines ("FEMI"), by way of conversion of FEMI's advances to the Corporation in the amount of P500,000,000.000 into equity representing Five Hundred Million

(500,000,000) shares at par value of One Peso (P1.00) per share, in the following manner:

Tranche 1 Tranche 2

Subscribed 425,000,000 325,000,000 750,000,000

No. of Shares

Payment made on Subscription

P418,750,000.00 P 81,250,000.00 P500,000,000.00

6. That at least 25% of the increase in authorized capital stock has been subscribed and fully paid for.

WHEREOF, I have hereunto set my hand this IN WITNESS X at

TTY OF MAKATI

RAN MENEZ Treasurer

E

OCT 1 0 20191

SUBSCRIBED AND SWORN to before me this affiant exhibiting to me his Social Security Systems ID No. 03-6347637-1.

Doc. No. 266 Page No. IT; Book No. / 50 Series of 2019.

Treasurersamdavit.mgh.kingston

# DEED OF ASSIGNMENT (of Advances)

### KNOW ALL MEN BY THESE PRESENTS:

This Deed of Assignment is executed this

FIL-ESTATE MANAGEMENT, INC, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, represented herein by its President, FERDINAND T. SANTOS, hereinafter referred to as "FEMI";

#### - and -

METRO GLOBAL HOLDINGS CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, and represented herein by its Chief Financial Officer, RAMON G. JIMENEZ, hereinafter referred to as "MGH";

## WITNESSETH: That -

WHEREAS, MGH is indebted to FEMI in the principal amount of P800,275,148.00 (the "Debt") arising from several advances made by FEMI to MGH as shown in Schedule "A" herein;

WHEREAS, the Board of Directors and stockholders of MGH have approved the increase in the authorized capital stock of MGH from P2 billion to P5 billion and out of the said increase, FEMI has agreed to subscribe to 750,000,000.00 shares to be paid by the assignment to MGH of FEMI's advances to the extent of P500,000,000.00 for the following subscriptions to MGH shares:

	No. of Shares Subscribed	Payment made on Subscription
Tranche 1 Tranche 2	425.000.000 325.000.000	P418,750,000.00 P 81,250,000.00
	750,000,000	P500,000,000.00

WHEREAS, pursuant to the terms and conditions set forth herein, MGH has approved the subscriptions of FEMI to a portion of the increase in capital stock of MGH to be made in the manner provided herein;

NOW, THEREFORE, for and in consideration of the foregoing premises and the terms and conditions hereinafter set forth, the Parties hereby agree as follows:

at

- FEMI hereby assigns, transfers and conveys unto MGH the Advances shown in Annex "B" hereof in the aggregate amount of P500,000,000.00 (the "Advances") in:
  - partial payment of FEMI's subscription to 425,000,000 shares to the extent of P418,750,000.00 representing 98.53% paid up of the subscription; and
  - b. partial payment of FEMI's subscription to 325,000,000 shares to the extent of P81,250,000.00 representing 25% paid up of the subscription.

which subscriptions shall be at par value of P1.00 per share to be issued out of the increase in capital stock of MGH to wit:

	No. of Shares Subscribed	Payment made on Subscription
Tranche 1 Tranche 2	425,000,000 325,000,000	P418,750,000.00 P 81,250,000.00
	750,000,000	P500,000,000.00

2. MGH hereby accepts the assignment by FEMI of the Advances shown in Annex "B" hereof in the aggregate amount of P500,000,000.00 as partial payments of the subscriptions to the new shares described above to be issued out of the increase in capital stock of MGH and in consideration thereof, MGH agrees to issue new shares to FEMI from its capital stock increase in accordance with the payments of the subscriptions described above.

3. The issuance of the new shares shall be conditioned on the (i) issuance of the new shares being exempt from the registration requirements under applicable securities laws and the Securities Regulation Code, (ii) MGH receiving approval from the Securities and Exchange Commission for the issuance of the new shares, and (iii) MGH receiving final approval from the Philippine Stock Exchange for the listing of the new shares.

All taxes and expenses to be paid by reason of the assignment of the new shares in favor of FEMI shall be for the account of MGH.

- MGH hereby represents and warrants in favor of FEMI as follows:
- (a) The new shares shall be issued from the planned increase in the authorized capital stock of MGH from P2 billion pesos divided into 2 billion shares with a par value of P1.00 per share to P5 billion pesos divided into 5 billion shares with a par value of P1.00 per share (the "Increase").

(b) Upon approval of the Increase by the Securities and Exchange Commission (SEC), MGH will have full legal right and capacity to

mor

### ACKNOWLEDGMENT

# REPUBLIC OF THE PHILIPPINES)

# ) S.S.

DCT 1 0 2019 BEFORE ME, a Notary Public for and in Pasig City this day of , 2019 personally appeared the following:

Name	Competent Evidence of Identity	Expiration
FERDINAND T. SANTOS RAMON G. JIMENEZ		N/A N/A

known to me to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free voluntary act and deed as well as of the Corporations they herein represent.

This instrument refers to a Deed of Assignment of Advances consisting of # pages including this page wherein the acknowledgment is written and signed by the parties and their instrumental witnesses.

WITNESS MY HAND AND SEAL on the date and at the place first above written.

Doc. No. Page No. Book No. 156 Series of 2019.

femi deedofassignmenttomghofadvances kingston.joel

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## **COVER SHEET**

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### 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. **February 22, 2024** 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** Exact name of issuer as specified in its charter
- 5. **Metro Manila, Philippines** Province, country or other jurisdiction of incorporation

6.		(SEC Use Only)
Ind	ustry Classifie	cation Code:

7. Mezzanine, Renaissance Towers, Meralco Ave., Pasig City 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 ClassNumber of Shares of Common Stock<br/>Outstanding and Amount of Debt Outstanding

**Common Shares** 

5,000,000,000 share

11. Indicate the item numbers reported herein:

ITEM 9 - OTHER EVENTS "Postponement of Annual Stockholders' Meeting"

### 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: February 22, 2024

By: ALICE ODCHIGUE-BONDOC Assistant Corporate Secretary



# METRO GLOBAL HOLDINGS CORP.

21 FEBRUARY 2024

MARKET AND SECURITIES REGULATION DEPARTMENT SECURITIES & EXCHANGE COMMISSION SEC HEADQUARTERS MAKATI AVENUE, MAKATI CITY PHILIPPINES

ATTENTION: ATTY. OLIVER LEONARDO Director

### SUBJECT: POSTPONEMENT OF 2024 ANNUAL STOCKHOLDERS MEETING

Dear Sir:

Please be informed that as previously disclosed to the Securities and Exchange Commission, the shareholders of METRO GLOBAL HOLDINGS CORPORATION (MGH) approved in its Annual Meeting last 12 October 2023, the amendment of the Company's By-Laws to move from the 1st Thursday of March to last Thursday of July of each year.

The amendment is planned to be submitted to the Commission sometime next month, as the Company needed to wait for the approval of the Commission on the amendment of its Articles of its Incorporation increasing its AUTHORIZED CAPITAL STOCK before proceeding to filing of its amendment on its BY- LAWS. The Company received the Commission's approval of its Amended Articles of Incorporation last 5th Feb 2024.

With the receipt of the foregoing approval by the Commission, the Company will proceed to file for the Commission's approval its amendments on its By-Laws to reflect changes in its Annual Meeting date and other amendments to align provisions in the Company's By-Laws with the provisions in the Revised Code of Corporate Governance.

The new annual meeting date per approval by the shareholders last 12 October 2023 is the last Thursday of July, which falls on 25 July 2024 (instead of 7 March 2024) this year.

Kind regards,

ALICE BONDOC

Assistant Corporate Secretary

Mezzanine Floor, Renaissance Tower. Meralco Avenue, Barangay Ugong, Pasig City, Philippines Tel.: +63.2.633.6205; Tel Fax: +63.2.633.6248 Website: www.metroglobalholdings.com; Email: info@metroglobalholdings.com EB 2 2 2024

SUBSCRIBED AND SWORN to before me this Bar of the Philippines ID 14624.

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#### SECRETARY'S CERTIFICATE

I, GILBERT RAYMUND T. REYES, Filipino, of legal age, with principal office at 5<sup>th</sup> Floor, SEDCCO I Building, Rada corner Legaspi Streets, Legaspi Village, Makati City, after having been sworn according to law, hereby depose and state that:

- I am the duly elected and qualified Corporate Secretary of Metro Global Holdings Corporation (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines with principal office address at Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City, and listed on the Philippine Stock Exchange ("PSE") since 4 May 1964.
- As Corporate Secretary, I have custody and access to the corporate records of the Corporation, including, but not limited to, the books and records of the transfer agent.
- Based on the records of the Corporation, on 12 October 2023, the shareholders of the Corporation approved during its Annual Meeting the amendment of the Corporation's By-Laws to amend the schedule of the annual meeting from the first Thursday of March to the last Thursday of July each year.
- 4. The Corporation is scheduled to submit next month its application for amendment of its By-Laws since the Corporation just received the Securities and Exchange Commission's approval of its application for amendment of its Articles of Incorporation increasing the Corporation's authorized capital stock.
- Pursuant to the new annual meeting date approved by the shareholders during the 12 October 2023 Annual Meeting, the annual meeting this year is scheduled on 25 July 2024 (last Thursday of July of 2024).

IN WITNESS WHEREOF, this Certificate was signed this 2 2 FEB 2024 at Makati City.

GILBERT RAYMUND T. REYES Corporate Secretary SUBSCRIBED AND SWORN to before me this 2 2 FEB 2024 Philippines, affiant exhibiting to me his Passport No. P8069137A valid until 23 July 2028. The affiant is personally known to the Notary Public.

81 Doc. No. 38 Page No. Book No. 1 NOTARY PLITIC ÷. Series of 2024. 3

899.60.19 SVC/MGH/Secretary's Certificate on Postponement of ASM 2024

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### SECURITIES AND EXCHANGE COMMISSION

#### SEC FORM 17-C

# OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

### June 20, 2024 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 Exact name of issuer as specified in its charter

### 5. Metro Manila, Philippines

4

(SEC Use Only)

Province, country or other jurisdiction of incorporation

- Industry Classification Code:
- 7. Mezzanine Renaissance Towers, Meralco Ave., Pasig City 1604 Address of principal office Postal Code

# (632) 8633-6205 Issuer's telephone number, including area code

- 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

2,750,000,000

1.0

11. Indicate the item numbers reported herein: Item 9

### SIGNATURE

Please be informed that the Board of Directors of Metro Global Holdings Corporation ("MGH) at its meeting held today 20 June 2024 approved Management's request for the extension of the term of Francisco C. Gonzalez as Independent Director of MGH

SEC Form 17-C December 2003 I

for an additional one (1) year upon reaching the term limit as independent director this end of the 2023 to 2024 Board term, subject to necessary approval of the shareholders. This will allow MGH to continue to draw on the independent views, leadership role, experience and expertise of Mr. Gonzalez especially in the light of the new business direction of the Company to engage in solar, wind and other renewable energy generation facilities, starting this year, thru a newly acquired subsidiary, Metro Solar Power Solutions, Inc. (a power generation company). Mr. Gonzalez is an Electrical Engineer by profession and is the CEO of his own company engaged in installation of electrical systems and electrical power generation facilities. Metro Solar has an existing 65megawatt solar power energy project in Pililla, Rizal which project is targeted to break ground this 2024. The industry experience of Mr. Gonzalez in the power/ energy sector will be an invaluable contribution to the success of this pioneer project in Pililla, Rizal by the Company's subsidiary, Metro Solar.

The extension of term of Mr. Gonzalez as an Independent Director, as approved by the Board, will be subject to approval of the stockholders of record during the Annual Stockholders' Meeting on 25 July 2024.

By:

### METRO GLOBAL HOLDINGS CORPORATION

Issuer

ALICE ODCHIGUE-BONDOC SVP-Good Governance & Compliance Officer

0.10

Date: June 20, 2024

SEC Form 17-C December 2003 2



METRO GLOBAL HOLDINGS CORP.

20 June 2024

SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters Makati Avenue, Makati City

#### Attention: ATTY. OLIVER O. LEONARDO Director. Markets and Securities Regulation Department

THE PHILIPPINE STOCK EXCHANGE 6th to 10th Floors, PSE Tower 28th Street corner 5<sup>th</sup> Avenue Bonifacio Global City, Taguig City

> Attention: MS. ALEXANDRA D. TOM WONG Head, Disclosure Department

Subject:

TERM EXTENSION OF INDEPENDENT DIRECTOR, FRANCISCO C. GONZALEZ

Gentlemen:

Please be informed that the Board of Directors of Metro Global Holdings Corporation ("MGH) at its meeting held today 20 June 2024 approved Management's request for the extension of the term of Francisco C. Gonzalez as Independent Director of MGH for an additional one (1) year upon reaching the term limit as independent director this end of the 2023 to 2024 Board term, subject to necessary approval of the shareholders. This will allow MGH to continue to draw on the independent views, leadership role, experience and expertise of Mr. Gonzalez especially in the light of the new business direction of the Company to engage in solar, wind and other renewable energy generation facilities, starting this year, thru a newly acquired subsidiary. Metro Solar Power Solutions. Inc. (a power generation company). Mr. Gonzalez is an Electrical Engineer by profession and is the CEO of his own company engaged in installation of electrical systems and electrical power generation facilities. Metro Solar has an existing 65megawatt solar power energy project in Pililla, Rizal which project is targeted to break ground this 2024. The industry experience of Mr. Gonzalez in the power/ energy sector will be an invaluable contribution to the success of this pioneer project in Pililla, Rizal by the Company's subsidiary. Metro Solar.

The extension of term of Mr. Gonzalez as an Independent Director, as approved by the Board, will be subject to approval of the stockholders of record during the Annual Stockholders' Meeting on 25 July 2024.

Very truly yours,

Und

ATTY. ALICE ODCHIQUE-BONDOC Assistant Corporate Secretary

#### COVER SHEET

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#### SECURITIES AND EXCHANGE COMMISSION

#### SEC FORM 17-C

### OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

#### 25 July 2024 Date of Report (Date of earliest event reported)

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

#### Metro Global Holdings Corporation Exact name of issuer as specified in its charter

#### 5. Metro Manila, Philippines

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

(SEC Use Only)

7. Mezzanine Renaissance Towers, Meralco Ave., Pasig City 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

 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

2,750,000,000 share

11. Indicate the item numbers reported herein: Item 9

Please see attached letter.

#### 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.

SEC Form 17-C December 2003

#### METRO GLOBAL HOLDINGS CORPORATION Issuer

Date: July 25, 2024

By:

0

ALICE ODCHIGUE-BONDOC SVP-Good Governance & Compliance Officer

SEC Form 17-C December 2003



#### METRO GLOBAL HOLDINGS CORP.

25 July 2024

#### SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters Makati Avenue, Makati City

#### Attention: ATTY. OLIVER O. LEONARDO

Director, Markets and Securities Regulation Department

#### THE PHILIPPINE STOCK EXCHANGE

6th to 10th Floors, PSE Tower 28th Street corner 5<sup>th</sup> Avenue Bonifacio Global City, Taguig City

#### Attention: MS. ALEXANDRA D. TOM WONG

Head, Disclosure Department

#### 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, July 25, 2024, 10:00 A.M. through remote communication, as follows:

- 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 91.26% of common shares of the Company.
- 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 12 October 2023. The Company received votes in person and by proxy a total of 91.26% of common shares in favor of the approval of the Minutes of the Annual Meeting of Stockholders held on 12 October 2023.
  - 2.2 The stockholders approved the Annual Report and Audited Financial Statements of the Company for the calendar year ended 31 December 2023. The Company received votes in person and by proxy a total of 91.26% of common shares in favor of the approval of the Audited Financial Statements of the Company for the calendar year ended 31 December 2023.

- 2.3 The stockholders confirmed and ratified all acts, contracts, resolutions and proceeding made and entered into by Management and/or the Board of Directors and the various Committees constituted pursuant to the Code of Corporate Governance from October 12, 2023 up to the present. The Company received votes in person and by proxy a total of 91.26% 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 from October 12, 2023 up to the present.
- 2.4 The stockholders approved the extension of the Board term of Independent Director Francisco C. Gonzalez for another year following his previous 9-year term limit.
- 2.5 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 91.26% of common shares in favor of the approval of the appointment of Isla Lipana & Co. as the Company's independent external auditor.
- The stockholders, who voted in person and by proxy a total of 91.26% of common shares of the Company, 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 Jose Wilfrido M. Suarez Independent
- 4. In the Organizational Meeting of the Board of Directors of the Company held on 25 July 2024 immediately 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 President & Chief Risk Officer	1	Robert John L. Sobrepeña 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 Govern	ance -	Atty. Alice Odchigue-Bondoc

Compliance Officer, Corporate Information Officer & Asst. Corporate Secretary

Vice-President – Chief Finance Officer and Alternate Corporate Information Officer		Ramon G. Jimenez
Vice-President – Chief Audit Executive	21	Solita S. Alcantara
Vice-President – Business Dev't. & Special Projects	8	Sylvia M. Hondrade
VP for Records Management		Socorro G. Roco
VP for Human Resources	37	Khateryn M. Benitez

Corporate Secretary

cretary - Atty. Gilbert Raymund T. Reyes

- 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:	Jose Wilfrido M. Suarez (Independent Director)
	Roberto S. Roco
	Solita S. Alcantara

(4) CORPORATE GOVERNANCE COMMITTEE

Chairman: Jose Wilfrido M. Suarez (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

(5) BOARD RISK OVERSIGHT COMMITTEE

Chairman: Jose Wilfrido M. Suarez (Independent Director) Members: Francisco C. Gonzalez (Independent Director) Atty. Ferdinand T. Santos Atty. Alice Odchigue-Bondoc (6) RELATED PARTY TRANSACTIONS COMMITTEE

Chairman: Members:

Francisco C. Gonzalez (Independent Director) Jose Wilfrido M. Suarez (Independent Director) Roberto S. Roco Ramon G. Jimenez

 The Board approved the appointment of Banco de Oro- Stock Transfer Services as stock transfer agent.

Very truly yours,

#### METRO GLOBAL HOLDINGS CORPORATION

By:

1

ATTY. ALICE ODCHIGUE-BONDOC Senior Vice President/Good Governance Compliance Officer, Corporate Information Officer & Asst. Corporate Secretary COVER SHEET

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METROGLOBAL	HOLDIN		
CORPORATION			
	(Company's Full Name)		
MEZZANINFL	00R, RE	NAISSANCE	
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ALICE ODCHIGUE-BONDOC Contact Person	]	(02)86336205 loc. 113 Company Telephone Number	
	DRM 17-C (Results o ional Meeting of the Directors) FORM TYPE Listed		Day
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To be accomp	lished by SEC Personne	Domestic Foreign	
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#### SECURITIES AND EXCHANGE COMMISSION

#### SEC FORM 17-C

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

1.	25 July 2024 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 Exact name of issuer as specified in its charter
5.	Metro Manila, Philippines (SEC Use Only)
	Province, country or other jurisdiction Industry Classification Code: of incorporation
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

2,750,000,000 share

Only)

Code

11. Indicate the item numbers reported herein: Item 4

At the Organizational Board Meeting of METRO GLOBAL HOLDINGS CORPORATION held today, 25 July 2024 at Lung Hin Restaurant, Marco Polo Hotel, Pasig City, the following were elected/ appointed:

Chairman of the Board & CEO		Robert John L. Sobrepeña
President & Chief Risk Officer	-	Atty. Ferdinand T. Santos

SEC Form 17-C December 2003

EVP for Operations & Director for Investor Relations		Rafael Perez de Tagle, Jr.
SVP for Project Development Senior Vice President-Good Governa Compliance Officer, Corporate Information Officer & Asst. Corpora Secretary		Jaime M. Cacho Atty. Alice Odchigue-Bondoc
Vice-President – Chief Finance Officer and Alternate Corporate Information Officer		Ramon G. Jimenez
Vice-President – Chief Audit Executive	5	Solita S. Alcantara
Vice-President – Business Dev't. & Special Projects	14	Sylvia M. Hondrade
VP for Records Management		Socorro G. Roco
VP for Human Resources		Khateryn M. Benitez
Corporate Secretary		Atty. Gilbert Raymund T. Reyes

# At the same meeting of the Board, the following Board Committees have been constituted:

<ol> <li>EXECUTIVE C</li> </ol>	OMM	TTI	£Ε
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Chair	man:	Robert John L. Sobrepeña
Memb	pers:	Noel M. Cariño
101001-0001	CONTRACT.	Atty. Ferdinand T. Santos
		Francisco C. Gonzalez (Independent Director)

### (2) SALARY COMPENSATION COMMITTEE

Chairman:	Robert John L. Sobrepeña
Members:	Atty. Ferdinand T. Santos
1897 1997 1997 1997 1997 1997 1997 1997	Francisco C. Gonzalez (Independent Director)

#### (3) AUDIT COMMITTEE

Chairman: Members:	Francisco C. Gonzalez (Independent Director) Jose Wilfrido M. Suarez (Independent Director)
members.	Roberto S. Roco
	Solita S. Alcantara

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(4) CORPORATE GOVERNANCE COMMITTEE

SEC Form 17-C December 2003 2

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

#### (5) <u>BOARD RISK OVERSIGHT COMMITTEE</u> Chairman: Members: Jose Wilfrido M. Suarez (Independent Director) Francisco C. Gonzalez (Independent Director) Atty. Ferdinand T. Santos Atty. Alice Odchigue-Bondoc

(6) RELATED PARTY TRANSACTIONS COMMITTEE

Chairman: Francisco C. Gonzalez (Independent Director) Members: Jose Wilfrido M. Suarez (Independent Director) Roberto S. Roco Ramon G. Jimenez

#### The Board also reappointed the Banco de Oro Unibank – Stock Transfer Services – as stock transfer agent of the Company.

#### 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

By:

Date: July 25, 2024

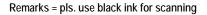
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ALICE ODCHIGUE-BONDOC SVP-Good Governance & Compliance Officer

SEC Form 17-C December 2003

#### COVER SHEET

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F I L - E S T A T E C O R P O R A T I O N )	
(Company's Full Name)	
M	NCE
(Business Address: No. Street City/ Town/ Province)	
	33 - 6205
Contact Person Company Tele	ephone Number
ATTENDANCE TO CORPORATE	
GOVERNANCE SEMINAR	
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#### 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

# December 20, 2024 Date of Report (Date of earliest event reported) SEC Identification Number: 9124 BIR Tax Identification No. 000-194-408-000 METRO GLOBAL HOLDINGS CORPORATION Exact name of issuer as specified in its charter Metro Manila, Philippines Province, country or other jurisdiction of Metro Secondary Classification Code:

- Province, country or other jurisdiction of Indus incorporation
- 7. Mezzanine, Renaissance Towers, Meralco Ave., Pasig City 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 ClassNumber of Shares of Common StockOutstanding and Amount of Debt Outstanding

**Common Shares** 

2,750,000,000 share

11. Indicate the item numbers reported herein:

**ITEM 9 – OTHER EVENTS** 

Please see attached letter.

#### 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: December 20, 2024

By:

ALICE ODCHIGUE-BONDOC SVP-Good Governance & Compliance Officer

SEC Form 17-C December 2003

۰.



20 December 2024

## SECURITIES AND EXCHANGE COMMISSION SEC HQ

Paseo de Roxas, Makati City

Attention: Ms. Rachel Esther J. Gumtang-Remalante Corporate Governance & Finance Department

#### PHILIPPINE STOCK EXCHANGE

PSE Tower, 5<sup>th</sup> Avenue Bonifacio Global City, Taguig City

Attention:	Ms. Alexandra D. Tom Wong
	Head, Disclosure Department

#### Gentlemen:

In compliance with the Commission's requirements under SEC Memorandum Circular No. 19, Series of 2016, we submit herewith the Certificates of Attendance of the Company's Directors and Key Officers for the four (4) hour Annual Corporate Governance Seminar for the year 2024 conducted by the Center for Global Best Practices held on December 17, 2024 (Topics: Corporate Governance in Digital Age and Global Standards in Artificial Intelligence (AI) Management), which certificates were received by the Company on 20 December 2024:

#### Directors:

1. 2. 3.	Robert John L. Sobrepeña Atty. Ferdinand T. Santos Rafael Perez de Tagle, Jr.	<ul> <li>Chairman of the Board &amp; CEO</li> <li>President &amp; Chief Risk Officer</li> <li>EVP for Operations &amp; Director</li> </ul>
4.	Atty. Alice Odchigue-Bondoc	for Investor Relations - Senior Vice President-Good Governance Compliance Officer, Corporate Information Officer & Asst. Corporate Secretary
5. 6.	Roberto S. Roco Jaime M. Cacho - SVP for Proje	1 0

- 7. Francisco C. Gonzalez Independent Director
- 8. Jose Wilfrido M. Suarez Independent Director

Key Officers:

1. Ramon G. Jimenez	<ul> <li>Chief Financial Officer</li> </ul>
2. Solita S. Alcantara	- Vice-President - Chief Audit
	Executive
3. Sylvia M. Hondrade	-Vice-President - Business
	Development & Special Projects
4. Socorro G. Roco	- VP for Records Management
5. Khateryn M. Benitez	- VP for Human Resources

Our Director Mr. Noel Carino and Corporate Secretary, Atty. Gilbert Raymund T. Reyes have attended their corporate governance seminars with other public and publicly listed companies, which we again submit for reference.

Very truly yours,

ATTY. ALICE ODCHIGUE-BONDOC SVIP-Good Governance & Compliance Officer

Mezzanine Floor, Renaissance Tower, Meralco Avenue, Barangay Ugong, Pasig City, Philippines Tel.: +63,2,633,6205; Tel Fax: +63,2,633,6248 Website: www.metrogloba/holdings.com; Email: info@metrogloba/holdings.com



, Provider Accreditation Number CG2024-00

presents this

# **CERTIFICATE OF COMPLETION**

to

# **Robert John L. Sobrepeña**

for completing the four-hour SEC-accredited

# CORPORATE GOVERNANCE TRAINING

**Topic 1: Corporate Governance in the Digital Age Topic 2: Artificial Intelligence Management** 

> held on Tuesday, December 17, 2024 from 1:00 pm to 5:00 pm via **ZOOM**

> > C H

Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



Center for



Course Director & Lecturer Center for Global Best Practices



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# **CERTIFICATE OF COMPLETION**

to

# **Ferdinand T. Santos**

for completing the four-hour SEC-accredited

# CORPORATE GOVERNANCE TRAINING

**Topic 1: Corporate Governance in the Digital Age Topic 2: Artificial Intelligence Management** 

> held on Tuesday, December 17, 2024 from 1:00 pm to 5:00 pm via ZOOM

> > A

Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



Center for



Course Director & Lecturer Center for Global Best Practices



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# **CERTIFICATE OF COMPLETION**

to

# Rafael R. Perez De Tagle, Jr.

for completing the four-hour SEC-accredited

# CORPORATE GOVERNANCE TRAINING

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Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



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# **CERTIFICATE OF COMPLETION**

to

# **Alice Odchigue-Bondoc**

for completing the four-hour SEC-accredited

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> > C H

Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



Center for



Course Director & Lecturer Center for Global Best Practices





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# **CERTIFICATE OF COMPLETION**

to

# **Roberto S. Roco**

for completing the four-hour SEC-accredited

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> > CH+

Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



Center for



Course Director & Lecturer Center for Global Best Practices



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# **CERTIFICATE OF COMPLETION**

to

# Jaime M. Cacho

for completing the four-hour SEC-accredited

# **CORPORATE GOVERNANCE TRAINING**

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Course Director & Lecturer Center for Global Best Practices





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# **CERTIFICATE OF COMPLETION**

to

# Francisco C. Gonzalez

for completing the four-hour SEC-accredited

# CORPORATE GOVERNANCE TRAINING

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> held on Tuesday, December 17, 2024 from 1:00 pm to 5:00 pm via **ZOOM**

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Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



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Course Director & Lecturer Center for Global Best Practices





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# **CERTIFICATE OF COMPLETION**

to

# Jose Wilfrido M. Suarez

for completing the four-hour SEC-accredited

# **CORPORATE GOVERNANCE TRAINING**

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Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



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Course Director & Lecturer Center for Global Best Practices





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# **CERTIFICATE OF COMPLETION**

to

# Ramon G. Jimenez

for completing the four-hour SEC-accredited

# CORPORATE GOVERNANCE TRAINING

**Topic 1: Corporate Governance in the Digital Age Topic 2: Artificial Intelligence Management** 

> held on Tuesday, December 17, 2024 from 1:00 pm to 5:00 pm via **ZOOM**

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Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



Center for



Course Director & Lecturer Center for Global Best Practices



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# **CERTIFICATE OF COMPLETION**

to

# Solita S. Alcantara

for completing the four-hour SEC-accredited

# **CORPORATE GOVERNANCE TRAINING**

**Topic 1: Corporate Governance in the Digital Age Topic 2: Artificial Intelligence Management** 

> held on Tuesday, December 17, 2024 from 1:00 pm to 5:00 pm via **ZOOM**

Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



Center fo



Course Director & Lecturer Center for Global Best Practices





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# **CERTIFICATE OF COMPLETION**

to

# Sylvia M. Hondrade

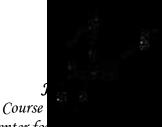
for completing the four-hour SEC-accredited

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> held on Tuesday, December 17, 2024 from 1:00 pm to 5:00 pm via **ZOOM**

Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



Center fo



Course Director & Lecturer Center for Global Best Practices





presents this

# **CERTIFICATE OF COMPLETION**

to

# Socorro G. Roco

for completing the four-hour SEC-accredited

# CORPORATE GOVERNANCE TRAINING

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Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



Center for



Course Director & Lecturer Center for Global Best Practices



### presents this

# **CERTIFICATE OF COMPLETION**

to

# **Khateryn M. Benitez**

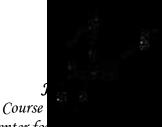
for completing the four-hour SEC-accredited

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**Topic 1: Corporate Governance in the Digital Age Topic 2: Artificial Intelligence Management** 

> held on Tuesday, December 17, 2024 from 1:00 pm to 5:00 pm via **ZOOM**

Henry Belleza Aquende, MBM, Hon. DPA Founder & President Center for Global Best Practices



Center fo



Course Director & Lecturer Center for Global Best Practices





Risks, Opportunities Assessment and Management (ROAM), Inc.

awards this

# CERTIFICATE OF COMPLETION

6

Noel M. Cariño

# **CORPORATE GOVERNANCE**

held on 12 November 2024 through Zoom Meeting

for having completed the webinar on



# THIS CERTIFICATE IS AWARDED TO

FOR HAVING ATTENDED THE ANNUAL CORPORATE GOVERNANCE ENHANCEMENT SESSION held on September 27, 2024 from 8:30 a.m. to 12:30 p.m. CONSISTING OF TWO SESSIONS:

# YOUR BUSINESS STRATEGY, ORGANIZATION, AND CULTURE FOR SUCCESS" "BECOME AN INSURGENT: RE-FOCUS AND RE-ENERGIZE BY MR. DAVID MOREY

2024 ANNUAL CORPORATE GOVERNANCE ENHANCEMENT SESSION

For Directors, Advisory Board Members and Officers



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:

. Sobrepeña

Chairman of the Board Chief Executive Officer

Rai

Chief Finance Officer and Alternate Corporate Information Officer

erdinand T. Santos

President/Chief Risk Officer

Atty. Alice Odchigue-Bondoc Senior Vice President-Good Governance Compliance Officer, Corporate Information Officer & Asst. Corporate Secretary

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

#### NAMES

Robert John L. Sobrepeña Atty. Ferdinand T. Santos Alice O. Bondoc Ramon G. Jimenez

#### SSS NO.

03-6449007-1 03-2643588-3 33-1923852-8 03-6347637-1

CHRISTIAN H. SORITA Notary Public for Pasig & Pateros First Floor, Renalssance 1009 Tower D, Meratos Avartue, Pasig City 1604 (Roll of Autorneys No. 52539 Apeointment No. 5 (2024-2025) Commission Expires on December 31, 2025 PTR No. 3021157; 01-03-2025; Pasig City Lifetime IBP No. 010223; 10-17-2011; Pasig City MCLE Compliance No.VIII-0000183 Issued on 16 August 2022

Doc. No.: 2.19 Page No.: 45 Book No.: 11 Series of 2025



#### Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph> To: ORTEGACHA0317@gmail.com Cc: MCSN\_CARRIE@yahoo.com Wed, Apr 30, 2025 at 10:33 AM

#### Hi METRO GLOBAL HOLDINGS CORPORATION,

#### Valid files

- EAFS000194408OTHTY122024.pdf
- EAFS000194408TCRTY122024-02.pdf
- EAFS000194408ITRTY122024.pdf
- EAFS000194408TCRTY122024-01.pdf
- EAFS000194408AFSTY122024.pdf
- EAFS000194408RPTTY122024.pdf

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Transaction Code: AFS-0-ZY1V1PX0MXNVMYQMTVQQW1M04MTZY1ZT Submission Date/Time: Apr 30, 2025 10:33 AM [Quoted text hidden]

# **ANNEX A-1**



METRO GLOBAL HOLDINGS CORP.

#### STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Metro Global Holdings Corporation and Subsidiaries is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, 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 reporting process.

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

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.

John I

Chairman of the Board /Chief Executive Officer

President/Chief Risk Officer

Vice President-Chief Finance Officer and Alternate Corporate Information Officer

Signed this 25th day of April 2025

#### ACKNOWLEDGEMENT

APR 2 9 2025

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

 Ramon G. Jimenez
 03-6347637-1

Doc. No.: 218 : Page No.: 45 : Book No.: 111 : Series of 2025

CHRISTIAN H. SORITA Notary Public for Pasig & Pateros First Ploor, Rehaissance 1000 Tower D, Meralco Avenue, Pasig City 1604 (Rolf of Attorneys No. 52539 (Appointment No. 5 (2024-2025)) Commission Expires on December 31, 2025 PTR No. 3021157: 01-03-2025; Pasig City Lifetime IBP No. 010223; 10-17-2011; Pasig City MCLE Compliance No.VIII-0000183 issued on 16 August 2022

# **COVER SHEET**

# for

# AUDITED FINANCIAL STATEMENTS

	SEC Registration Number																												
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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.



# **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

# **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, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for each of the three years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2024;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2024;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

# **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.	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				
The Parent Company has investments in Metro Rail Transit Holdings I Inc. (MRTHI) and Metro Rail Transit Holdings II Inc. (MRTHI) 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.	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 equity securities of MRTHI and MRTHII are unquoted. 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.	<ul> <li>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.</li> <li>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.</li> <li>Discussed with the Company's external valuation expert regarding the valuation of the investments in MRTHI and MRTHI. Based on the discussion, a reliable point estimate of the fair value of the investments in MRTHI and MRTHI cannot be established given the absence of adequate observable market transactions or comparable market data surrounding the realization of residual interest in the MRT business, along with uncertainties associated with the DOTR and their dependency on future government decisions, resulting in a wide range of potential valuation outcomes. Hence, cost continues to represent the best estimate of fair value within that range.</li> </ul>				



#### 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 and Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and 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.

When we read the SEC Form 20-IS, SEC Form 17-A and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

# 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 Accounting Standards, 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 Audits of the Consolidated Financial Statements

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



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 3, 2025, Makati City TIN 268-146-184 BIR A.N. 08-000745-144-2025; issued on January 24, 2025; effective until January 23, 2028 BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City April 25, 2025



#### 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, 2024, on which we have rendered the attached report dated April 25, 2025. 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 the Revised 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 the Revised Rule 68 of the SRC.* 

#### Isla Lipana & Co.

Dennis M. Malco Partner CPA Cert. No. 126035 P.T.R. No. 0080034, issued on January 3, 2025, Makati City TIN 268-146-184 BIR A.N. 08-000745-144-2025; issued on January 24, 2025; effective until January 23, 2028 BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City April 25, 2025



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, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 25, 2025. 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) Accounting Standards 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 Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 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 3, 2025, Makati City TIN 268-146-184 BIR A.N. 08-000745-144-2025; issued on January 24, 2025; effective until January 23, 2028 BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City April 25, 2025



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, 2024, on which we have rendered the attached report dated April 25, 2025.

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 twenty one (821) shareholders owning one hundred (100) or more shares each as at December 31, 2024.

Isla Lipana & Co.

Dennis M. Malco Partner CPA Cert. No. 126035 P.T.R. No. 0080034, issued on January 3, 2025, Makati City TIN 268-146-184 BIR A.N. 08-000745-144-2025; issued on January 24, 2025; effective until January 23, 2028 BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City April 25, 2025

# "ANNEX A-1"

#### Metro Global Holdings Corporation and Subsidiaries

Consolidated Statements of Financial Position As at December 31, 2024 and 2023 (All amounts in Philippine Peso)

	Notes	2024	2023
As	sets		
Current assets			
Cash	2	1,255,597	12,780,533
Non-trade and other receivables	3	71,006,165	64,064,417
Other current assets	4	5,164,573	4,209,606
Total current assets		77,426,335	81,054,556
Non-current assets			
Due from related parties	3	892,803,244	892,803,244
Financial assets at fair value through OCI	5	3,060,780,971	3,060,331,336
Investment in associates	6	20,245,057	6,942,791
Property and equipment	7	44,769,668	39,612,914
Right-of-use asset	11	333,565,466	348,090,414
Intangible asset, net	8	630,577	657,894
Deferred tax asset	16	3,996,071	3,110,114
Total non-current assets		4,356,791,054	4,351,548,707
Total assets		4,434,217,389	4,432,603,263

# Liabilities and Stockholders' Equity

Current liabilities			
Accrued expenses and other current liabilities	9	421,534,990	418,568,125
Mortgage payable, current portion	10	850,305	-
Lease liability, current portion	11	243,941	227,113
Total current liabilities		422,629,236	418,795,238
Non-current liabilities			
Due to a stockholder	17	269,741,387	267,424,211
Due to other related parties	17	243,167,099	240,357,562
Mortgage payable, non-current	10	611,868	-
Lease liability, net of current potion	11	13,185,388	13,446,158
Total non-current liabilities		526,705,742	521,227,931
Total liabilities		949,334,978	940,023,169
Stockholders' equity			
Share capital	12	2,748,553,181	1,998,553,181
Additional paid-in capital		589,120,804	589,120,804
Deposit for future stock subscription	12,17	102,000,000	852,000,000
Fair value reserve	5	(23,527)	(473,162)
Retained earnings		45,231,953	53,379,271
Total stockholders' equity		3,484,882,411	3,492,580,094
Total liabilities and stockholders' equity		4,434,217,389	4,432,603,263

Consolidated Statements of Total Comprehensive Income For each of the three years in the period ended December 31, 2024 (All amounts in Philippine Peso)

	Notes	2024	2023	2022
Share in profit of associates	6	20,513,639	6,140,438	19,526,017
Depot royalty income	13	33,062,546	44,664,516	19,546,766
General and administrative expenses	14	(63,770,015)	(48,732,548)	(35,571,235)
(Loss) income from operations		(10,193,830)	2,072,406	3,501,548
Other income (expense), net				
Finance cost	10,11,15	(1,202,250)	(327,832)	-
Dividend income	5,15	-	2,871,466	-
Other income, net	15	2,836,614	895,936	11,787
		1,634,364	3,439,570	11,787
(Loss) income before tax		(8,559,466)	5,511,976	3,513,335
Income tax benefit	16	412,148	185,213	-
Net (loss) income for the year		(8,147,318)	5,697,189	3,513,335
Other comprehensive income (loss)				
Item that will not be reclassified to profit or loss				
Fair value gain (loss) on financial assets at fair				
value through OCI	5	449,635	(888,742)	(1,070,973)
Total comprehensive (loss) income for the year		(7,697,683)	4,808,447	2,442,362
Basic and diluted (loss) earnings per share	18	(0.0034)	0.0029	0.0018

Consolidated Statements of Changes in Equity For each of the three years in the period ended December 31, 2024 (All amounts in Philippine Peso)

	Share capital (Note 12)	Additional paid- in capital	Deposit for future stock subscription (Notes 17)	Fair value reserve (Note 5)	Retained earnings	Total
Balances as at January 1, 2022	1,998,553,181	589,120,804	-	1,486,553	44,168,747	2,633,329,285
Comprehensive income						
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 as at December 31, 2022	1,998,553,181	589,120,804	-	415,580	47,682,082	2,635,771,647
Comprehensive income						
Profit for the year	-	-	-	-	5,697,189	5,697,189
Other comprehensive loss for the year	-	-	-	(888,742)	-	(888,742)
Total comprehensive income for the year	-	-	-	(888,742)	5,697,189	4,808,447
Transaction with owner						
Deposit for future stock subscription	-	-	852,000,000	-	-	852,000,000
Balances at December 31, 2023	1,998,553,181	589,120,804	852,000,000	(473,162)	53,379,271	3,492,580,094
Comprehensive loss						
Loss for the year	-	-	-	-	(8,147,318)	(8,147,318)
Other comprehensive income for the year	-	-	-	449,635	-	449,635
Total comprehensive loss for the year	-	-	-	449,635	(8,147,318)	(7,697,683)
Transaction with owner						
Deposit for future stock subscription	750,000,000	-	(750,000,000)	-	-	-
Balances at December 31, 2024	2,748,553,181	589,120,804	102,000,000	(23,527)	45,231,953	3,484,882,411

Consolidated Statements of Cash Flows For each of the three years in the period ended December 31, 2024 (All amounts in Philippine Peso)

	Notes	2024	2023	2022
Cash flows from operating activities				
Net (loss) income before tax		(8,559,466)	5,511,976	3,513,335
Adjustment for:		<b>, , , ,</b>		
Depreciation and amortization	7,8	16,089,145	4,972,452	27,317
Interest expense	10,11	1,202,250	327,832	-
Interest income	2,15	(2,836,614)	(893,348)	(666)
Share in net income of associates	6	(20,513,639)	(6,140,438)	(19,526,017)
Unrealized foreign exchange gain	15	-	(2,588)	(22,449)
Dividend income	5,17	-	(2,871,466)	-
Operating (loss) income before working capital	· · · · ·		· · · · ·	
changes		(14,618,324)	904,420	(16,008,480)
Increase in:				
Trade and other receivables		(4,106,741)	(4,261,654)	(11,075,338)
Other assets		(1,428,777)	(2,511,510)	(1,265,513)
Increase in:		<b>, , , ,</b>	, , , , , , , , , , , , , , , , , , ,	( · · · ,
Accrued expense and other current liabilities		2,993,789	9,126,111	15,173,674
Net cash (used in) generated from operations		(17,160,053)	3,257,367	(13,175,657)
Interest received	2	1,607	893,348	666
Income taxes paid		-	-	(23,744)
Net cash (used in) from operating activities		(17,158,446)	4,150,715	(13,198,735)
Cash flows from investing activities				
Acquisition of property and equipment		(4,272,787)	(6,348,590)	-
Dividends received	5	-	2,871,466	-
Cash received from acquisition of MSPSI	1	-	192,779	-
Net cash used in investing activities		(4,272,787)	(3,284,345)	-
Cash flows from financing activities				
Payment of principal portion of lease liabilities	11	(243,942)	(327,832)	-
Interest paid for lease liabilities	11	(972,886)	(72,168)	-
Principal payments of mortgage payable	10	(958,674)	-	-
Interest paid on mortgage payable	10	(229,634)	-	-
Advances from other related parties	17	9,993,987	5,769,091	17,368,999
Advances from (settlement of amounts due to) a				
stockholder		2,317,176	5,198,683	(4,793,116)
Net cash from financing activities		9,906,297	10,567,774	12,575,883
Net (decrease) increase in cash		(11,524,936)	11,434,144	(622,852)
Cash at January 1		12,780,533	1,343,801	1,944,204
Effect of foreign exchange rate changes in cash		-	2,588	22,449
Cash at December 31		1,255,597	12,780,533	1,343,801

#### Notes to Consolidated Financial Statement

As at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 (In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

#### 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. It 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:

	2024	2023
Fil-estate Management, Inc. (FEMI)	89.26%	87.98%
PCD Nominee Corporation	3.65%	5.03%
Alakor Securities Corporation	2.43%	3.34%
Smart Share Investment Limited	2.00%	-
Bank of Commerce Trust Services Group	-	2.16%
Others	2.66%	1.49%
	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 12 employees as at December 31, 2024 (2023 - 11).

# 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 February 1, 2024, the Securities and Exchange Commission 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.

# 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 25, 2025.

# 1.4 Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries, MGHC Royal Holdings Corporation (MGHC Royal), Metro Renewable Transport Solutions, Inc. (MRTSI) and Metro Solar Power Solutions, Inc. (MSPSI). 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.

		ership int cipating s		Country of	
		held		incorporation	Main activity
	2024	2023	2022		-
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.
MRTSI	100%	100%	100%	Philippines	MRTSI 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.
MSPSI	100%	100%	-	Philippines	MSPSI is a company registered with the SEC on September 28, 2016 primary established primarily to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.
					On October 10, 2016, MSPSI's Board of Directors approved the amendment of its Articles of Incorporation changing the corporate name to Metro Solar Power Solutions, Inc. from Metro Solar Power Energy Ventures, Inc. The amendment was approved by the Securities and Exchange Commission on January 9, 2017. Its registered address, which is also its principal place of business, is located at the Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City.

#### Acquisition of MSPSI

On September 24, 2018, the Board authorized the Parent Company to enter into a Memorandum of Agreement with FEMI whereby the Parent Company agreed to the subscription of FEMI to 750 million common shares of the capital stock of the Parent Company at par value of P1 per share to be issued out of the planned capital increase in the authorized capital stock of the Parent Company from P2 billion divided into 2 billion common shares with par value of P1 per share to P5 billion divided into 5 billion common shares with a par value of P1 per share resulting to a P3 billion increase in capital stock of the Parent Company.

Pursuant to the Memorandum of Agreement, the subscription price of P750 million was to be paid in the following manner:

- a) The amount of P500 million was to be paid by the assignment of FEMI's advances to the Parent Company amounting to P500 million (Note 16); and
- b) The amount of P250 million was to be paid in a manner to be agreed upon by FEMI and the Parent Company upon approval of the above-mentioned capital increase.

During the pendency of the Parent Company's application for increase in capital stock at the SEC, on August 23, 2023, the Parent Company and FEMI entered into a Deed of Assignment whereby the parties agreed that the balance of P250 million be paid by FEMI via assignment of FEMI to the Parent Company of FEMI's 100% shareholdings in MSPSI, with an enterprise value of P352 million as appraised by an independent third-party appraiser. As stipulated in the Deed of Assignment, FEMI absolutely and irrevocably assigned, transferred and conveyed in favor of the Parent Company all of FEMI's rights, title and interest to 100% of the issued and outstanding shares of MSPSI consisting of 250,000 common shares with par value of P100 per share in full payment of the remaining P250 million balance out of the P750 million subscription of FEMI. The excess in consideration received by the Parent Company upon acceptance of the MSPSI shares amounting to P102 million was agreed to be booked as deposit in future stock subscription of FEMI to the new share issuances of the Parent Company in the future (Notes 12 and 17).

As a result of the transactions above, the Parent Company has gained control over MSPSI effective August 23, 2023. Following the asset acquisition requirement under PFRS 3, the Group accounted for the fair values of the major classes of assets acquired and liabilities assumed at the acquisition date as follows:

Cash	192,779
Advances to third party	41,233,335
Property and equipment	33,326,835
Right-of-use asset	352,975,314
Other assets	1,432,316
Lease liabilities	(13,745,439)
Due to related party	(60,007,837)
Other liabilities	(3,407,303)
Net identifiable assets acquired	352,000,000

Right-of-use asset includes the value of the Solar Energy Service Contract which will pave the way for the creation of the Solar Power Project after the third-party appraisal of MSPSI. The valuation report dated March 31, 2023 was prepared by Santos Knight Frank, Inc. using the income approach as of December 31, 2022. Based on the valuation report, the value of the leasehold property is P341 million. The fair value adjustment is calculated as the present value of the rent savings when the contract rent at the time of the appraisal is less than the current market rent.

During November 2023, the Parent Company has paid and completed the required filings with the SEC regarding its application for increase in capitalization. On February 1, 2024, the SEC approved the increase in the capital stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share (Note 12). Subsequently, on April 8, 2024, the SEC approved the valuation of the 250,000 Metro Solar shares in the amount of P250 million as payment by FEMI for the issuance by the Parent Company of 250 million common shares at par value of P1 per share in favor of FEMI (Note 12).

# 2 Cash

Cash as at December 31 consists of:

	2024	2023
Cash on hand	46,201	46,201
Cash in banks	1,209,396	12,734,332
	1,255,597	12,780,533

Cash accounts with banks generally earn interest at rates based on daily bank deposit rates. Interest income earned from cash in banks amounted to P1,607 for the year ended December 31, 2024 (2023 - P1,077, 2022 - P729) (Note 15).

# 3 Non-trade and other receivables; Due from related parties

Non-trade receivables for the years ended December 31 are as follows:

	2024	2023
Advances to third party	45,853,360	39,983,629
Non-trade receivables	25,137,805	24,080,788
Others	15,000	-
	71,006,165	64,064,417

Advances to third party pertain to funds disbursed to a third party contractor to finance the design, installation and construction of the solar project facilities. These are unsecured, unguaranteed, subject to interest of 10% annually and collectible over 12 months from the start of the project construction.

Non-trade receivables pertain to the royalty income from depot developments in TriNoma and billed to North Triangle Depot Commercial Corporation (NTDCC) (Note 13). 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 assets) as at December 31 consist of:

	Note	2024	2023
Due from related parties	17		
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 three years ended December 31, 2024.

Critical accounting estimates and judgment: Recoverability of non-trade 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 product 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 non-trade 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.

Based on management's assessment, management believes that the net carrying amount of trade receivables and due from related parties are recoverable.

#### 4 Other current assets

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

	2024	2023
Input VAT	2,555,634	1,713,430
Creditable withholding tax	2,415,156	1,712,077
Advances to suppliers	177,883	768,199
Prepaid taxes	15,900	15,900
	5,164,573	4,209,606

Creditable withholding tax is related to the depot royalty income from NTDCC (Note 13).

#### 5 Financial assets at fair value through OCI

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

	2024	2023
Unquoted equity securities	3,058,238,916	3,058,238,916
Quoted equity securities	2,542,055	2,092,420
	3,060,780,971	3,060,331,336

#### 5.1 Unquoted equity securities

Unquoted equity securities as at December 31, 2024 consist of investments in MRTHI and MRTHI. The Group's ownership interests in MRTHI and MRTHII as at December 31, 2024 and 2023 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 (DOTR, formerly "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 DOTR as defined in the BLT Agreement.

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 sell option to use the shares of stocks of MRTHI and MRTH II to payoff its net advances from FEMI pursuant to the "Letter of Agreement" as discussed in (b) below.

# 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, 2024 and 2023 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 MRTHI. 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.

As at December 31, 2024 and 2023, the Group has assessed that the cost of investments in MRTHI and MRTHII represents the best estimate of fair value of those investments. The Group assessed that the carrying amount of the investments in MRTHI and MRTHII are recoverable and can be realized in the future through the Group's realization of the residual interest in the MRT business and share in benefits arising from the various proposals submitted to the DOTR regarding MRT3 extension and capacity expansion projects to be undertaken by MRTC. In view of the absence of observable market transactions or comparable market data surrounding the realization of residual interest in the MRT business and the outcome of outstanding proposals with the DOTR, a reliable point estimate of the fair value of the investments in MRTHI and MRTHII cannot be established. Similarly, with the uncertainties associated with the approval status of the MRT3 projects and dependency on government decisions resulting in a wide range of potential valuation outcomes, the cost represents the best estimate of fair value within that range.

Based on these factors, management assessed that the cost of the investments represents the best estimate of the fair value of the investments as at reporting date.

The Group's unquoted financial assets, pertaining to investments in MRTHI and MRTHII, are under Level 3 fair value category. The higher the cost of investments, the higher is the related fair value.

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.

#### (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 DOTR 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 DOTR 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 DOTR 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:

- 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 16);
- (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 17). 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:

	2024	2023	2021
Acquisition cost	2,565,582	2,565,582	2,565,582
Cumulative change in fair value			
Beginning of the year	(473,162)	415,580	1,486,553
Increase (decrease) in the fair value during the year	449,635	(888,742)	(1,070,973)
End of the year	(23,527)	(473,162)	415,580
	2,542,055	2,092,420	2,981,162

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

For the year ended December 31, 2023, the Company received P2,871,466 dividend income from its investments in quoted equity securities. There is no similar transaction in 2024 and 2022.

#### 6 Investment in associates

		Owners	•	
	Country of	intere		Main activity and registered
	incorporation	2024	2023	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 2 <sup>nd</sup> 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, 2024 and 2023, the Company has no commercial activity. Registered address is at 6 <sup>th</sup> floor, The Belvedere Tower, San Miguel Avenue, Ortigas Center, Pasig City.

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

The carrying value of investment in associates as at December 31, 2024 consists of investment in MRTDC amounting to P20,245,057 (2023 - P6,942,791). As at December 31, 2024 and 2023, 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:

	Note	2024	2023	2021
At January 1		6,942,791	19,071,383	13,667,401
Share in net income of MRTDC		20,513,639	6,140,438	19,526,017
Dividends from MRTDC	17	(7,184,450)	(18,269,030)	(14,122,035)
Other equity adjustment		(26,923)	-	-
At December 31		20,245,057	6,942,791	19,071,383

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 consolidated statement of financial position (Note 17).

On December 7, 2023, MRTDC declared dividends to its shareholder amounting to P115,700,000, of which P18,269,030 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 consolidated statement of financial position (Note 17).

On June 25, 2024, MRTDC declared dividends to its shareholder amounting to P45,500,000, of which P7,184,450 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 17).

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

	2024	2023
Current assets	497,365,692	425,932,530
Non-current assets	16,480,919	19,091,940
Current liabilities	(246,601,261)	(209,045,044)
Non-current liabilities	(169,563,894)	(190,358,312)
Net assets	97,681,456	45,621,114

Statements of total comprehensive income

	2024	2023
Revenue	408,638,855	302,655,357
Net income	129,915,383	38,888,144
Total comprehensive income	129,915,383	38,888,144

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:

2024	2023
97,681,456	45,621,114
15.79%	15.79%
15,423,902	7,203,574
4,821,156	(260,783)
20,245,057	6,942,791
-	97,681,456 15.79% 15,423,902 4,821,156

#### 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, 2024 and 2023 are not recoverable.

# 7 Property and equipment

Details and movements in property and equipment for the years ended December 31, 2024 and 2023 are as follows:

	Transportation	Office	Construction-	
	equipment	equipment	in-progress	Total
For the year ended December 31, 2023				
Opening net carrying values	-	-	-	-
Additions	977,186	90,738	38,607,501	39,675,425
Depreciation	(38,889)	(23,622)	-	(62,511)
Closing net carrying values	938,297	67,116	38,607,501	39,612,914
At December 31, 2023				
Cost	977,186	90,738	38,607,501	39,612,914
Accumulated depreciation	(38,889)	(23,622)	-	(62,511)
Net carrying values	938,297	67,116	38,607,501	39,612,914
For the year ended December 31, 2024				
Opening net carrying values	938,297	67,116	38,607,501	39,612,914
Additions	2,470,814	126,991	4,095,829	6,693,634
Depreciation	(1,493,555)	(43,325)	-	(1,536,880)
Closing net carrying values	1,915,556	150,782	42,703,330	44,769,668
At December 31, 2024				
Cost	3,448,000	217,729	42,703,330	46,369,059
Accumulated depreciation	(1,532,444)	(66,947)	-	(1,599,391)
Net carrying values	1,915,556	150,782	42,703,330	44,769,668

The Group has no property and equipment as at and for the year ended December 31, 2022.

Construction in progress pertains to the cost incurred to construct the solar power project facilities in a leased property in Pililla, Rizal.

During the year ended December 31, 2024, the Group also purchased a vehicle with cost of P2,420,847 financed through a chattel mortgage. As at December 31, 2024, the Company's unpaid property and equipment reported under mortgage payable amounted to P1,462,173 (2023 - nil) (Note 10).

# 8 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 13) 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 13)

On December 14, 2023, the Company signed an Alternative Compliance Agreement with Global Estate Resorts Inc., and NTDCC, which calls for the payment by NTDCC of depot royalty income due on the development of various lot pads located in North Avenue, Quezon City, which should have been completed in year 2019. In view of the delay and non-completion of the development of said lot pads, NTDCC agreed to pay the Company additional compensation in 2023 amounting to P20,583,728 to cover the projected depot royalty income due from 2019 to 2023, and thereafter pay a yearly depot royalty income from 2024-2026 based on the agreed schedule.

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, 2022	
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 (Note 14)	(27,317)
Closing net carrying amount	682,935
At December 31, 2022	
Cost	901,471
Accumulated amortization	(218,536)
Net carrying amount	682,935
For the year ended December 31, 2023	
Opening net carrying amount	682,935
Amortization (Note 14)	(25,041)
Closing net carrying amount	657,894
At December 31, 2023	
Cost	901,471
Accumulated amortization	(243,577)
Net carrying amount	657,894
For the year ended December 31, 2024	
Opening net carrying amount	657,894
Amortization	(27,317)
Closing net carrying amount	630,577
At December 31, 2024	
Cost	901,471
Accumulated amortization	(270,894)
Net carrying amount	630,577

# 9 Accrued expenses and other current liabilities

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

	2024	2023
Advances from MPIC	350,000,000	350,000,000
Accrued expenses	70,864,264	65,026,736
Payable to regulatory agencies	587,829	1,332,462
Output VAT Payable	82,897	2,208,927
	421,534,990	418,568,125

# 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 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, 2024 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, 2024 and 2023.

#### 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.

#### 10 Mortgage payable

During the year ended December 31, 2024, the Group availed a vehicle loan payable monthly for two years from the date of acquisition with annual interest rate of 9.23%.

Balances in mortgage payable presented in the statements of financial position and movements in statements of cash flows for the year ended December 31, 2024 are as follows:

	Note	2024
Beginning of the year		-
Availment of mortgage payable		2,420,847
Finance cost	15	229,364
Principal payments of mortgage payable		(958,674)
Payment of finance cost		(229,364)
End of the year		1,462,173
Current portion		850,305
Non-current portion		611,868
		1,462,173

#### 11 Leases

On October 16, 2017, MSPSI entered into a lease agreement with a third party for the lease of a 91.31 hectare property in Pililla, Rizal. The property will be used as the site of MSPSI's solar project facilities. The lease agreement will be in effect for 30 years and may be extended only upon a written agreement with the lessor at least 30 days before the end of the aforementioned lease period.

The lease agreement does not contain an option to purchase the underlying asset outright at the end of the lease term, nor the option to extend for further term without mutual agreement on both parties. The lease agreements do not impose any covenants other than the security interests in the leased asset that are held by the lessor. The leased asset is also not used as a security for borrowing purposes.

The leased asset is presented within property and equipment, net in the statement of financial position. The statement of financial position shows the following amounts relating to leases as of December 31, 2024 and 2023:

	2024	2023
Right-of-use asset, net		
Leasehold property	333,565,466	348,090,414
Lease liabilities Current	243.941	227,113
Non-current	13,185,388	13,446,158
	13,429,329	13,673,271

#### (i) Right-of-use asset, net

The movement in right-of-use asset for the year ended December 31, 2024 and 2023 are as follows:

	2024	2023
Beginning	348,090,414	-
Additions	-	352,975,314
Amortization	(14,524,948)	(4,884,900)
Ending	333,565,466	348,090,414

#### (ii) Lease liabilities

Movements in lease liabilities for the year ended December 31, 2024 and 2023 are as follows:

	2024	2023
Beginning	13,673,271	-
Principal and interest payments		
Principal	(243,942)	(72,168)
Interest	(972,886)	(327,832)
	(1,216,828)	(400,000)
Non-cash changes		
Additions during the year	-	13,745,439
Interest expense	972,886	327,832
	972,886	14,073,271
Ending	13,429,329	13,673,271

Future minimum lease payments under lease liabilities and the net present value of the minimum lease payments as at December 31, 2024 and 2023 are follows:

	2024	2023
Not later than 1 year	1,200,000	1,200,000
Later than 1 year but not later than 5 years	4,800,000	4,800,000
More than 5 years	21,300,000	22,500,000
Total	27,300,000	28,500,000
Future finance charges	(13,870,671)	(14,826,729)
	13,429,329	13,673,271

(iii) Amounts recognized in the statements of total comprehensive income

The statements of total comprehensive income for the year ended December 31, 2024 and 2023 show the following amounts relating to leases:

	Note	2024	2023
Amortization expense	14	14,524,948	4,884,900
Finance costs		972,886	327,832
		15,497,834	5,212,732

# (iv) Discount rate

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

#### Critical accounting estimates and assumptions: Determining the incremental borrowing rate

To determine the incremental borrowing rate, the Company used the government bond yield, adjusted for the credit spread specific to the Company as at lease commence date. The discount rate applied by the Group related to the leasehold property is 7.17%.

#### (v) Extension and termination options

Extension and termination options are included in the lease agreement. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable by both the Company and the respective lessor.

# Critical accounting judgment: Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended.

The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate, the Company is reasonably certain to extend.
- If any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain to extend.
- The Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The extension option in the lease have been included in the lease liability because renewal is highly probable given the ongoing construction of the solar project. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

# 12 Equity

#### Share capital

The details of share capital as at December 31, 2024 and 2023 are as follows:

	2024	2023
Authorized share capital	5,000,000,000	2,000,000,000
Subscribed share capital, beginning of the year	2,000,000,000	2,000,000,000
Issuance of shares of stock	750,000,000	-
Subscribed share capital, end of year	2,750,000,000	2,000,000,000
Less: Subscription receivable	(1,446,819)	(1,446,819)
Issued and subscribed share capital, end of year	2,748,553,181	1,998,553,181
Par value per share	1	1
Amount of share capital	2,748,553,181	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
February 1, 2024	3,000,000,000	750,000,000	1.00
	5,000,000,000	2,750,000,000	

- 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 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 million, divided into 30 billion shares with a par value P0.01 per share, to P2 billion divided into 2 billion shares with a par value P1.00 per share.

FEMI subscribed to 700 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 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.
- e. As indicated in Note 1, the Parent Company has completed its application for increase in capitalization with the SEC from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share. On February 1, 2024, the SEC approved such application.

During the pendency of the application of increase in capital stock from P2 billion to P5 billion, at the Annual Stockholder's Meeting held on October 12, 2023, the stockholders approved to further increase the authorized capital stock of the Parent Company, from P5 billion divided into 5 billion shares with a par value of P1 per share to P10 billion divided into 10 billion shares with a par value of P1 per share. The stockholders also approved the subscription of FEMI to P1.25 billion, equivalent to 1.25 billion shares at P1 par value, which subscription is to be partially paid to the extent of P312 million via offset of Parent Company's debt to FEMI in the amount of P186 million, the assignment of FEMI's deposit for future subscription in the amount of P102 million and the amount of P24 million to be paid in cash.

#### Issuance of shares of stock

Following the approval by the SEC of the valuation of the Metro Solar shares (Note 1.4), on July 15, 2024, the Company issued shares of stock of 750 million common shares at par value of P1 per share in favor of FEMI by way of applying a portion of FEMI's deposit for future stock subscription amounting to 750 million (Note 17).

# 13 Depot royalty income

Depot royalty income for the year ended December 31, 2024 amounting to P33,062,546 (2023 - P44,664,516, 2021 - P19,546,766) 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 (Note 8). The amount of royalty income is recognized over time as NTDCC earns rental income from the commercial center.

#### 14 General and administrative expenses

This account consists of the following:

	Notes	2024	2023	2022
Salaries and wages		20,888,660	18,238,734	15,982,031
Amortization of right-of-use asset	10	14,524,948	4,884,900	-
Fees		8,347,246	6,333,308	281,335
Transportation and travel		5,854,712	5,944,739	4,997,611
IT expense		5,080,000	4,882,959	3,545,487
13 <sup>th</sup> month pay		2,213,865	1,770,532	2,095,532
Professional and retainer's fee		2,051,500	3,365,602	2,076,021
Depreciation of property and equipment	8	1,536,880	62,511	-
Taxes and licenses		1,415,758	1,574,204	2,442,562
Legal		398,998	158,350	2,770,847
Directors' fee		325,146	396,757	507,895
Amortization of intangible asset	8	27,317	25,041	27,317
Others		1,104,985	1,094,911	844,597
		63,770,015	48,732,548	35,571,235

Fees include documentary stamp tax payment for the amended articles of incorporation in line with the increase of authorized capital stock and expansion of primary purpose amounting to P7,500,000 (2023 - P6,000,000; 2022 - nil).

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

#### 15 Other income (expense), net

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

	Notes	2024	2023	2021
Interest income		2,836,614	893,348	666
Finance cost	10,11	(1,202,250)	(327,832)	-
Dividend income	5	-	2,871,466	-
Gain on foreign exchange, net		-	2,588	11,121
		1,634,364	3,439,570	11,787

Interest income includes interest earned on advances to third party (Note 3).

Foreign exchange gain, net relates to the translation and transactions in respect of the Group's USD-denominated cash account. Details of foreign exchange gain, net as at December 31 are as follows:

	2024	2023	2021
Realized foreign exchange loss	-	-	(11,328)
Unrealized foreign exchange gain	-	2,588	22,449
	-	2,588	11,121

# 16 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%. Starting July 1, 2023, the MCIT shall return to its old rate of 2% of gross income.

#### Income tax benefit

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

	2024	2023	2022
Current	-	(185,213)	-
Deferred	(412,148)	-	-
	(412,148)	(185,213)	-

The Parent Company used minimum corporate income tax for purposes of the income tax calculation for the taxable year 2024, 2023 and 2022, while the subsidiaries used regular current income for the taxable years 2024, 2023 and 2022.

Deferred income tax (DIT)

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

	2024	2023
Allowance for impairment of other receivables	1,328,734	1,328,734
MCIT	1,526,836	948,524
NOLCO	1,140,501	832,856
	3,996,071	3,110,114

Under the Tax Reform Act of 1997 (the "Act"), the Group shall pay the Minimum Corporate Income Tax (MCIT) or the normal income tax, whichever is higher. Following the enactment of the CREATE law, from July 1, 2020 to June 30, 2023, the MCIT is 1% (from January 1 to June 30, 2023) and 2% (from July 1, 2023 onwards) of gross income as defined under the Act. Any excess of the MCIT over the normal income tax shall be carried forward annually and credited against the normal income tax for the next three succeeding taxable years.

The amounts and details of MCIT are as follows:

Year of incurrence	Year of expiration	Tax rate	2024	2023
2021	2024	1%	82,938	82,938
2022	2025	1%	195,579	195,579
2023	2026	1.5%	670,007	670,007
2024	2027	2%	661,250	-
			1,609,774	948,524
Less: Expired MCIT			(82,938)	-
			1,526,836	948,524

The Group recognized the tax benefit from NOLCO from the prior years to the extent of the current year taxable income. The Group continued not to recognize certain deferred income tax assets arising from the net operating loss carry-over (NOLCO) of the Parent Company because management has assessed there will be no sufficient future taxable income against which the benefits of these tax assets can be utilized.

The amounts and details of NOLCO and the related recognized and 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	2024	2023
2020	2025	1,450,186	-
2021	2026	1,062,032	3,461,834
2022	2025	14,006,478	16,012,348
2023	2026	1,776,890	2,714,099
2024	2027	17,010,989	-
		35,306,575	22,188,281
Recognized DIT		1,140,501	832,856
Unrecognized DIT asset		7,686,143	4,714,214
		8,826,644	5,547,070

#### 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:

	2024	2023	2022
Income (benefit) tax at the applicable statutory rate	(2,139,867)	1,665,606	878,334
Adjustments for:			
Share in net income of investment in associate	(5,128,410)	(1,535,109)	(4,881,504)
Dividend income subject to final tax	-	(717,867)	-
Unrecognized NOLCO	2,971,929	(396,703)	4,003,087
Non-deductible expenses	4,510,417	977,564	250
Interest income subject to final tax	(709,154)	(178,704)	(167)
Expired MCIT	82,938	-	-
	(412,148)	(185,213)	-

# 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.

# 17 Related party transactions and balances

Transactions and balances with related parties are presented as follows:

		Transactions		Balan	ces	
	2024	2023	2022	2024	2023	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	(b)
	-	-	-	892,803,244	892,803,244	
Due to a stockholder						
(Advances from) payments to						
FEMI	(2,317,176)	(13,388,282)	4,793,116	(269,741,387)	(267,424,211)	(c)
Debt-to-equity conversion	-	500,000,000	-	-	-	(c)
Due to other related parties						
Advances						
MRTHI - investee	-	-	-	(221,939,234)	(221,939,234)	(d)
MRTDC - associate	(9,993,987)	(5,769,091)	(17,368,999)	(21,227,865)	(18,418,328)	(e)
Dividend settlement						
MRTDC - associate (non-cash)	7,184,450	18,269,030	14,122,035	-	-	(e)
				(243,167,099)	(240,357,562)	
Deposit for future stock						
subscription						
FEMI	(750,000,000)	852,000,000	-	102,000,000	852,000,000	(f)

# (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 billion, and the cost of acquisition of shares of MRTHII amounting to P180 million.

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 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.

Over the years, the amount of liability was reduced mainly through repayments and conversion of FEMI advances into equity. There were net advances for the year ended December 31, 2024 amounting to P2,317,716 (2023 - P13,888,282 net advances; 2022 - P4,793,116, net repayments). In addition, per the execution of the Deed of Assignment with FEMI dated October 10 2019 and the completion of the application on November 2023, P500 million of advances was fully paid through the conversion into equity of a portion of FEMI advances to the Parent Company (Note 1; Ref. f below).

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, 2023 and 2022.

# (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, 2024 and 2023.

# (e) 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, 2024 and 2023, 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 and treated as a non-cash operating activity in the cash flows. Additionally, for the year ended December 31, 2024, the Company received additional advances from MRTDC amounting to P9,993,987 (2023 - P5,769,091; 2022 - P17,368,999).

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, 2024 and 2023.

#### (f) Deposit for future stock subscription

On October 10, 2019, FEMI and the Parent Company executed a Deed of Assignment (of Advances) whereby FEMI assigned, transferred and conveyed unto the Parent Company the advances of FEMI to the Parent Company in the aggregate amount of P500 million in partial payment of FEMI's P750 million subscription out of the planned P3 billion increase in capital stock of the Parent Company (Note 1). This resulted to a recognition of a deposit for future stock subscription amounting to P500 million which will be applied to new share issuances once the SEC approved the increase in capitalization.

Additionally, for the year ended December 31, 2023, the Parent Company recognized a deposit for future stock subscription amounting to P352 million as a result of the assignment of MSPSI shares by FEMI (Note 1).

On November 2023, the Parent Company already paid and completed the required filings with the SEC in relation to the increase in capitalization. Accordingly, as at December 31, 2023, deposit for future stock subscription totaling P852 million is classified as part of equity in the consolidated statements of financial position. Subsequently, on February 1, 2024, the SEC approved the increase in the capital stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share such that the capital stock now stood at P5 billion divided into 5 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share.

Following the approval by the SEC of the valuation of the Metro Solar shares (Note 1.4), on July 15, 2024, the Parent Company issued shares of stock of 750 million common shares at par value of P1 per share in favor of FEMI by way of applying a portion of FEMI's deposit for future stock subscription amounting to P750 million. As at December 31, 2024, deposit for future stock subscription amounted to P102 million, representing the excess in consideration received by the Company upon acceptance of the MSPSI shares amounting to P102 million and was agreed to be retained as deposit in future stock subscription of FEMI to any new share issuances of the Company in the future (Note 1.4).

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:

	2024	2023
	2024	2023
As at December 31		
Investment in subsidiaries	(352,332,227)	(352,379,164)
Due from related parties	(10,678,715)	(2,748,736)
Trade and other receivables	(2,938,621)	(4,491,938)
Accrued expense and other current liabilities	10,678,715	2,748,736
Due to related parties	268,763	319,024
For the year ended December 31		
Other expense, net	(46,936)	(28,927)

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.

#### 18 Earnings per share

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

	2024	2023	2021
Net (loss) income	(8,147,318)	5,697,189	3,513,335
Divided by weighted average number of shares			
outstanding	2,373,553,181	1,998,553,181	1,998,553,181
Basic and diluted (loss) earnings per share	(0.0034)	0.0029	0.0018

The Parent Company has no potential dilutive ordinary shares for the years ended December 31, 2024 and 2023. Therefore, the amounts reported for basic and diluted earnings per share are the same.

#### 19 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.

#### 20 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 non-trade receivables and due from related parties (Notes 3 and 17)
- 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 17)
- Measurement of unquoted equity instruments cost as an estimate of fair value (Note 5)
- Recoverability of investment in associates (Note 6)
- Income taxes (Note 16)

#### 21 Financial risk management objectives and policies

#### 21.1 Components of financial assets and financial liabilities

#### Financial assets

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

	Notes	2024	2023
At amortized cost			
Cash	2	1,255,597	12,780,533
Non-trade receivables	3	71,006,165	64,064,418
Due from related parties	3	898,118,179	898,118,179
· · · · · · · · · · · · · · · · · · ·		970,379,941	974,963,130
At FVOCI			
Unquoted equity securities	5	3,058,238,916	3,058,238,916
Quoted equity securities	5	2,542,055	2,092,420
		3,060,780,971	3,060,331,336
		4,031,160,912	4,035,294,466

Due from related parties are presented gross of allowance for impairment. Allowance for impairment as at December 31, 2024 and 2023 amounted to P5,314,935.

#### Financial liabilities

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

	Notes	2024	2023
Advances from MPIC	9	350,000,000	350,000,000
Accrued expenses	9	70,864,264	65,026,736
Mortgage payable	10	1,462,173	-
Lease liability	11	13,429,329	13,673,271
Due to a stockholder	17	269,741,387	267,424,211
Due to other related parties	17	243,167,099	240,853,722
		948,664,252	936,977,940

Other current liabilities excluded pertain to payables to government agencies and output VAT which are not considered as financial liabilities.

#### 21.2 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.

#### 21.2.1 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:

		More than 12	
	Within 12 Months	months	Total
<u>2024</u>			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	70,864,264	-	70,864,264
Mortgage payable	850,305	611,868	1,462,173
Future interest on mortgage payable	99,531	21,356	120,887
Lease liability, gross of discount	1,200,000	26,100,000	27,300,000
Due to a stockholder	-	269,741,387	269,741,387
Due to other related parties	-	243,167,099	243,167,099
	423,014,100	539,641,710	962,655,810
2023			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	65,026,736	-	58,766,242
Lease liability, gross of discount	1,200,000	27,300,000	28,500,000
Due to a stockholder	-	267,424,211	267,424,211
Due to other related parties	-	240,357,562	240,357,562
	416,226,736	535,081,773	945,048,015

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

#### 21.2.2 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
2024 Cash in bank Non-trade and other receivables	1,209,396	-	1,209,396	Performing	12-month ECL
Group 1 Due from related parties	71,066,165	-	71,066,165	Collective assessment	Lifetime ECL
Group 2 Group 3	892,803,244 5,314,935	(5,314,935)	892,803,244	Performing Credit Impaired	12-month ECL Lifetime ECL
	970,333,740	(5,314,935)	965,018,805		
<u>2023</u> Cash in bank Non-trade and other receivables	12,734,331	-	12,734,331	Performing	12-month ECL
				Collective	
Group 1 Due from related parties	64,064,418	-	64,064,418	assessment	Lifetime ECL
Group 2	892,803,244	-	892,803,244	Performing	12-month ECL
Group 3	5,314,935	(5,314,935)	-	Credit Impaired	Lifetime ECL
	974,916,928	(5,314,935)	969,601,993		

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 on hand as at December 31, 2024 and 2023 amounting to P46,201 (Note 2) is not subject to credit risk.

None of the fully performing financial assets have been renegotiated during the years ended December 31, 2024 and 2023. 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.

#### 21.2.3 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.

#### 21.3 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, deposit for future stock subscription, and retained earnings, as its capital:

	Notes	2024	2023
Equity			
Share capital	11	2,748,553,181	1,998,553,181
Additional paid-in capital		589,120,804	589,120,804
Deposit for future stock subscription	16	102,000,000	852,000,000
Retained earnings		45,231,953	53,379,271
		3,484,905,938	3,493,053,256
Debt			
Due to a stockholder	16	269,741,387	267,424,211
Due to related parties	16	243,167,099	240,357,562
		512,908,486	507,781,773
		3,997,897,362	4,000,835,029

#### 22 Summary of material 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.

#### 22.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- Philippine Accounting Standards (PAS), and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, 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 Accounting Standards 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 20.

#### 21.2 Changes in accounting policies and disclosures

#### (a) New standards - applicable January 1, 2024

There are no new standards, amendments and interpretations which are effective for the financial year on or after January 1, 2024 that are relevant to and have a material impact on the Group's consolidated financial statements.

#### (b) New and amended standards not yet adopted by the Group

Certain standards, amendments or interpretations had been issued but were not mandatory for annual reporting periods ended December 31, 2024 and have not been early adopted by the Group. The following standard was assessed by management to be relevant and will have a material impact in the future reporting periods:

#### • PFRS 18, Presentation and Disclosure in Financial Statements

This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of total comprehensive income.

The key new concepts introduced in PFRS 18 relate to:

- the structure of the statement of total comprehensive income with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of total comprehensive income
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

The Group expects to adopt this standard beginning January 1, 2027 and will update the consolidated financial statements accordingly to comply with the new standards.

#### 21.3 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). These are strategic investments, and the Group considers this classification to be more relevant.

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), non-trade and other receivables (Note 3), and due from related parties (Notes 3 and 17).

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

#### Recognition and subsequent measurement

The Group recognizes a financial asset in the consolidated statements 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.

#### Subsequent measurement of equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### **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.

#### 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 statements of total comprehensive income and presented in other gains/(losses).

#### 21.4 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 9), mortgage payable (Note 11), lease liability (Note 11), due to a stockholder (Note 17), and due to other related parties (Note 17).

#### 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.

#### 21.5 Determination of fair value

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, 2024 and 2023 approximate their fair values due to their short-term maturities. The carrying value of due from related parties, due to a stockholder and due to other related parties approximates their fair value, 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 and intangible assets, approximate its fair value in the light of the assets' current use is presumed to be its highest and best use.

#### 21.6 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.

#### 21.7 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, 2024 and 2023 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.

#### 21.8 Non-trade and other receivables

Non-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, such as advances, are recognized initially at fair value and subsequently measured at amortized cost using effective interest method, less any provision for impairment.

Non-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.

#### 21.9 Other current assets

Other current assets consist of input value-added tax (VAT), creditable withholding taxes, prepaid taxes and advances. These are stated at face value less provision for impairment, if any.

Input VAT, prepaid taxes 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.

#### 21.10 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.

#### 21.11 Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and impairment in value, if any. Land is stated at cost less any impairment in value. The initial cost of property and equipment comprise its purchase price, including import duties and non-refundable purchase taxes and other directly attributable cost of bringing the property and equipment to its working condition and location for its intended use.

Depreciation is computed on the straight-line method over the following estimated useful life of the property and equipment:

	In years
Transportation equipment	5
Office equipment	3-5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 22.13)

#### 21.12 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 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.

#### 21.13 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.

#### 21.14 Deposit for future stock subscription

Deposit for future stock subscriptions refer to the amount of money or property received by the Group with the purpose of applying the same as payment for future issuance of stocks which may or may not materialize. Deposit for future stock subscriptions cannot be considered as part of the capital stock of the Group until shares of stocks are actually issued in consideration thereof.

On May 11, 2017, SEC issued an amendment on SEC Bulletin No. 6 (issued in 2012) for the treatment of the deposit for future stock subscriptions. As stated, an entity shall classify a contract to deliver its own equity instruments under equity as deposit for future stock subscriptions if and only if, all of the following elements are present as of the end of the period:

- The unissued authorized capital of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD approval on the proposed increase in authorized capital stock (for which a deposit was
  received by the corporation);
- There is stockholders' approval of said proposed increase in authorized capital stock; and
- The application for the approval of the increase in capital stock has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as part of liability. The amount of deposit for future stock subscriptions will be reclassified to equity account when the Company meets the foregoing elements.

#### 21.15 Right-of-use asset

Where the Company is the lessee

#### a) Measurement of lease liabilities

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e., term, currency and security).

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

#### b) Measurement of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life of 30 years and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

#### c) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

#### d) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### 21.16 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.

#### 21.17 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 income

Revenue is recognized on a time-proportion basis using the effective interest method.

#### 21.18 Cost and expense recognition

Costs and expenses in the statement of total comprehensive income are presented using the function of expense method.

#### 21.19 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 to be 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.

Management did not recognize any liability in respect of the defined benefit retirement plan as management assessed this to be immaterial as at December 31, 2024 and 2023.

#### (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.

#### 21.20 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.

#### 21.21 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.

#### 21.22 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.

#### 21.23 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.

#### 21.24 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.

SUPPLEMENTARY SCHEDULES AS REQUIRED BY REVISED SRC RULE 68 DECEMBER 31, 2024

Schedules	Description
А	Financial Assets
В	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
С	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
	External Auditor Fee

SCHEDULE A - FINANCIAL ASSETS DECEMBER 31, 2024

		Amount shown in	
		the	Income
	Number of	Statement of	received and
Name of issuing entity and association of each issue	shares	Financial Position	accrued
Financial assets at amortized cost			
Cash in banks			
United Coconut Planters Bank	-	348,616	-
Rizal Commercial Banking Corporation	-	98,606	-
Union Bank of the Philippines, Inc.	-	762,174	1,608
Cash on hand	-	46,201	-
Total cash and cash equivalents		1,255,597	1,608
Non-trade receivables		71,006,165	2,835,006
Other receivables			
Receivable from Monumento Rail	-	5,314,935	-
Advances to MRTHI	-	117,361	-
Advances to MRTHI	-	892,685,883	-
Total non-trade and other receivables		969,124,344	2,835,006
Financial asset through other comprehensive			
income	44.050.044	0.050.000.040	
Unquoted equity securities	11,856,311	3,058,238,916	-
Quoted equity securities	5,781,917	2,542,055	-
Total financial assets through other comprehensive		3,060,780,971	-
income			
		4,031,160,912	2,836,614

#### SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES) DECEMBER 31, 2024

	Balance at beginning of		Amounts	Write-			Balance at the end of the
Name and designation of debtor	period	Additions	collected	offs	Current	Non-current	period
Due from related parties							
Metro Rail Transit Holdings I	117,361	-	-	-	-	117,361	117,361
Metro Rail Transit Holdings II	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, 2024.

#### SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non- current	Balance at the end of the period
Metro Renewable Transport Solutions, Inc. Metro Solar Power	2,748,736	817,738	-	-	-	3,566,474	3,566,474
Solutions, Inc.	-	7,112,241	-	-	-	7,112,241	7,112,241
Total	2,748,736	7,929,979	-	-	-	10,678,715	10,678,715

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

#### SCHEDULE D - LONG TERM DEBT DECEMBER 31, 2024

#### SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES) DECEMBER 31, 2024

	Balance at beginning	Balance at the end
Name of related party	of the period	of the period
Fil-Estate Management, Inc	267,424,211	269,741,387
Metro Rail Transit Holdings, Inc. I	221,939,234	221,939,234
MRT Development Corporation	18,418,328	21,227,865
	507,781,773	512,908,486

SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS DECEMBER 31, 2024

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities quaranteed	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

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	5,000,000,000	2,748,553,181	-	2,454,750,194	3,669,018	290,133,969

#### SCHEDULE G - SHARE CAPITAL DECEMBER 31, 2024

\*The Parent Company's issued and subscribed share capital of P2,750,000,000 includes P1,446,819 subscription receivable, composed of 1,446,819 shares with par value of P1 each.

SCHEDULE OF FINANCIAL SOUNDNESS INDICATOR DECEMBER 31, 2024

	December 31, 2024	December 31,2023
Current ratio <sup>a</sup>	0.183:1	0.194:1
Acid Test ratio <sup>b</sup>	0.171:1	0.183:1
Solvency ratio <sup>c</sup>	0.008:1	0.011:1
Debt-to-equity ratio <sup>d</sup>	0.272:1	0.269:1
Asset-to-equity ratio <sup>e</sup>	1.272:1	1.269:1
Interest rate coverage ratio <sup>f</sup>	N/A	N/A
Debt service coverage ratio <sup>g</sup>	N/A	N/A
Net debt/EBITDA <sup>h</sup>	N/A	N/A
(Loss) earnings per share (PHP) <sup>i</sup>	(0.0034):1	0.0029:1
Book value per share <sup>j</sup>	1.268:1	1.748:1
Return on assets <sup>k</sup>	(0.002):1	0.001:1
Return on equity <sup>l</sup>	(0.002):1	0.002:1
Net Profit Margin <sup>m</sup>	(0.152):1	0.112:1

<sup>a</sup>Current assets/Current liabilities

<sup>b</sup>Cash and cash equivalents + Trade and other receivables, net + Due from related parties/Current liabilities <sup>c</sup>Net operating profit after tax + depreciation and amortization/ Total liabilities

dTotal liabilities/ Total equity

eTotal assets/ Total equity

<sup>f</sup>Earnings before interest, taxes, depreciation and amortization / Interest expense

<sup>g</sup>Earnings before interest, taxes, depreciation and amortization / (Current loan payable + Interest expense + current lease liabilities)

<sup>h</sup>Loans payable less cash and cash equivalents/ Earnings before interest, taxes, depreciation and amortization

Net income / Weighted average number of ordinary shares

Total equity less Preferred Equity/ Total number of shares outstanding

\*Net income/ Average total assets

Net income / Average total equity

<sup>m</sup>Net income/ Gross income from operations

SCHEDULE RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION DECEMBER 31, 2024

#### **Metro Global Holdings Corporation**

#### Reconciliation of Parent Company Retained Earnings Available for Dividend Declaration As at December 31, 2024

(All amounts in Philippine Peso)

	propriated Retained Earnings, beginning of the year/period		67,005,487
	Category A: Items that are directly credited to Unappropriated		
I	retained earnings		
	Reversal of Retained earnings appropriation/s	-	
	Effect of restatements or prior-period adjustments	-	
	Others	-	-
Less:	Category B: Items that are directly debited to Unappropriated		
	retained earnings		
	Dividend declaration during the reporting period	-	
	Retained earnings appropriated during the reporting period	-	
	Effect of restatements or prior-period adjustments	-	
	Others	-	-
U	nappropriated Retained Earnings, as adjusted		67,005,487
0	nappropriatou retainoù zarningo, do adjuetoù		01,000,101
Add/Le	ess: Net Income for the current year		5,378,627
Less:	Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
	Equity in net income of associate/joint venture, net of dividends declared	(13,329,189)	
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
	Unrealized fair value adjustment (mark-to-market gains) of		
	financial instruments at fair value through profit or loss (FVTPL)		
	Unrealized fair value gain of investment property	-	
	Other unrealized gains or adjustments to the retained earnings as		
	a result of certain transactions accounted for under the PFRS		
		-	(13,329,189)

(continued)

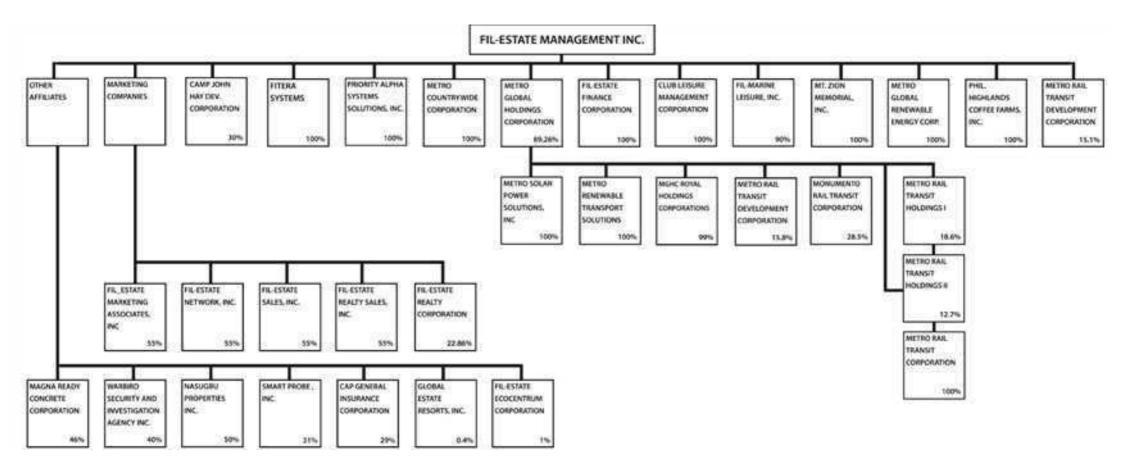
Add: Category C.2: Unrealized income recognized in the profit or loss	
in prior reporting periods but realized in the current reporting	
period (net of tax)	-
Realized foreign exchange gain, except those attributable to	
Cash and cash equivalents	-
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss	
(FVTPL)	_
Realized fair value gain of Investment property	-
Other realized gains or adjustments to the retained earnings	
as a result of certain transactions accounted for under the	
PFRS	
Add. Optonom (C.2). Unseeling discourse recompiled in profit or land in	
Add: Category C.3: Unrealized income recognized in profit or loss in	
prior periods but reversed in the current reporting period (net of tax)	_
Reversal of previously recorded foreign exchange gain, except	-
those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-	
to- market gains) of financial instruments at fair value	
through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of investment	
property	-
Reversal of other unrealized gains or adjustments to the	
retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	
Adjusted net income/loss	(7,950,562)
Add: Category D: Non-actual losses recognized in profit or loss during	
the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Add/Less: Category E: Adjustments related to relief granted by the	
SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others	
(continued)	

(continued)

Add/Less: Category F: Other items that should be excluded from the		
determination of the amount of available for dividends		
distribution		
Net movement of treasury shares (except for		
reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in		
the reconciling items under the previous categories	(578,312)	
Net movement in deferred tax asset and deferred tax		
liabilities related to same transaction, e.g., set up of		
right of use of asset and lease liability, set-up of asset		
and asset retirement obligation, and set-up of service		
concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain	-	
(loss)		
Others (describe nature)	-	(578,312)
Total Retained Earnings, end of the year/period available for		50 470 040
dividend declaration		58,476,613

#### 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, 2024



#### EXTERNAL AUDITOR FEE DECEMBER 31, 2024

	2024	2023
Total audit fees	1,350,530	1,301,000
Non-audit service fees:		
Other assurance services	108,150	105,000
Tax services	-	-
All other services	-	-
Total non-audit fees	108,150	105,000
Total audit and non-audit fees	1,458,680	1,406,000

# **ANNEX A-2**

### **COVER SHEET**

#### for AUDITED FINANCIAL STATEMENTS

	SEC Registration Number																												
																			9	1	4	2							
CO	MPA	NY	NAN	١E																									
м	Ε	т	R	0		G	L	0	В	Α	L		н	0	L	D	I	Ν	G	S									
С	0	R	Ρ	0	R	Α	т	I	0	Ν																			
PRI	NCI	PAL	OFI	FICE	( N	o./S	treet	t/Ba	rang	ay/C	City/T	owr	n)Pro	ovin	ce)													8	
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			А	А	F	S					MSRD							Not applicable											
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			NO. 0	510	CKIIO	luers				I	Annual Meeting Month/Day								Fiscal Year Month/Day										
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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.



#### **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, 2024 and 2023, and its financial performance and cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### What we have audited

The separate financial statements of the Company comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of total comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

#### **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.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines T: +63 (2) 8845 2728, www.pwc.com/ph



Independent Auditor's Report To the Board of Directors and Shareholders of Metro Global Holdings Corporation Page 2

## 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 Accounting Standards, 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 Audits 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.



Independent Auditor's Report To the Board of Directors and Shareholders of Metro Global Holdings Corporation Page 3

- 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.



Independent Auditor's Report To the Board of Directors and Shareholders of Metro Global Holdings Corporation Page 4

#### 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 3, 2025, Makati City TIN 268-146-184 BIR A.N. 08-000745-144-2025; issued on January 24, 2025; effective until January 23, 2028 BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City April 25, 2025



## Statement Required by Section 8-A, Revenue Regulations No. V-1

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

None of the partners of the firm have any financial interest in Metro Global Holdings Corporation or any family relationships with its officers or shareholders.

The supplementary information on taxes and licenses for the year ended December 31, 2024 is presented in Note 21 to the financial statements.

#### Isla Lipana & Co.

Dennis M. Malco Partner CPA Cert. No. 126035 P.T.R. No. 0080034, issued on January 3, 2025, Makati City TIN 268-146-184 BIR A.N. 08-000745-144-2025; issued on January 24, 2025; effective until January 23, 2028 BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City April 25, 2025

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines T: +63 (2) 8845 2728, www.pwc.com/ph

Statements of Financial Position As at December 31, 2024 and 2023 (All amounts in Philippine Peso)

	Notes	2024	2023
,	Assets		
Current assets			
Cash in banks	2	522,565	12,016,578
Non-trade receivables	3	25,138,236	24,080,788
Other current assets	4	2,642,592	1,836,130
Total current assets		28,303,393	37,933,496
Non-current assets		· · ·	
Due from related parties	3,16	903,481,959	895,551,980
Financial assets at fair value through OCI	5	3,060,780,971	3,060,331,336
Investment in associates	6	20,245,057	6,942,791
Investment in subsidiaries	7	352,332,227	352,379,164
Property and equipment	8	1,915,556	938,297
Intangible assets, net	9	630,577	657,894
Deferred tax asset	15	2,855,570	2,277,258
Total non-current assets		4,342,241,917	4,319,078,720
Total assets		4,370,545,310	4,357,012,216

## Liabilities and Stockholders' Equity

Current liabilities			
Accrued expenses and other current liabilities	10	416,349,980	411,886,437
Mortgage payable	11	850,305	-
Total current liabilities		417,200,285	411,886,437
Non-current liabilities			
Mortgage payable, net of current portion	11	611,868	-
Due to a stockholder- FEMI	16	203,317,327	204,297,487
Due to other related parties	16	243,435,862	240,676,586
Total non-current liabilities		447,365,057	444,974,073
Total liabilities		864,565,342	856,860,510
Stockholders' equity			
Share capital	11	2,748,553,181	1,998,553,181
Additional paid-in capital		589,120,804	589,120,804
Deposit for future stock subscription	16	102,000,000	852,000,000
Fair value reserve	5	(23,527)	(473,162)
Retained earnings		66,329,510	60,950,883
Total stockholders' equity		3,505,979,968	3,500,151,706
Total liabilities and stockholders' equity		4,370,545,310	4,357,012,216

#### Statements of Total Comprehensive Income For the years ended December 31, 2024 and 2023 (All amounts in Philippine Peso)

	Notes	2024	2023
Share in profit of associates	6	20,513,639	6,140,438
Depot royalty income	12	33,062,546	44,664,516
General and administrative expenses	13	(47,839,750)	(43,052,367)
Income from operations		5,736,435	7,752,587
Other income (expense), net			
Interest income	2	1,431	944
Impairment loss on investment in subsidiaries	7	(46,937)	(28,927)
Finance cost	11	(229,364)	-
Dividend income	5	-	2,871,466
Unrealized foreign exchange gain		-	2,588
		(274,870)	2,846,071
Income before tax		5,461,565	10,598,658
Income tax expense		(82,938)	-
Net income for the year		5,378,627	10,598,658
Other comprehensive (loss)			
Item that will not be reclassified to profit or loss			
Fair value loss on financial assets at fair value through OCI	5	449,635	(888,742)
Total comprehensive income for the year		5,828,262	9,709,916
Basic and diluted (loss) earnings per share	17	(0.0034)	0.0029

Statements of Changes in Equity For the years ended December 31, 2024 and 2023 (All amounts in Philippine Peso)

		Additional	Deposit for	Fair value		
	Share capital	paid-in capital	future stock	reserve	Retained	
	(Note 11)	(Note 11)	subscription	(Note 5)	earnings	Total
Balances at January 1, 2023	1,998,553,181	589,120,804	-	415,580	50,352,225	2,638,441,790
Comprehensive income						
Profit for the year	-	-	-	-	10,598,658	10,598,658
Other comprehensive loss for the year	-	-	-	(888,742)	-	(888,742)
Total comprehensive income (loss) for the year	-	-		(888,742)	10,598,658	9,709,916
Transaction with owner						
Deposit for future stock subscription	-	-	852,000,000	-	-	852,000,000
Balances at December 31, 2023	1,998,553,181	589,120,804	852,000,000	(473,162)	60,950,883	3,500,151,706
Comprehensive income						
Profit for the year	-	-	-	-	5,378,627	5,378,627
Other comprehensive income for the year	-	-	-	449,635	-	449,635
Total comprehensive income for the year	-	-		449,635	5,378,627	5,828,262
Transaction with owner						
Issuance of shares (Note 11)	750,000,000	-	(750,000,000)	-	-	-
Balances at December 31, 2024	2,748,553,181	589,120,804	102,000,000	(23,527)	66,329,510	3,505,979,968

#### Statements of Cash Flows For the years ended December 31, 2024 and 2023 (All amounts in Philippine Peso)

	Notes	2024	2023
Cash flows from operating activities			
Income before tax		5,461,565	10,598,658
Adjustment for:			
Depreciation and amortization	8,9,13	1,520,873	63,930
Finance cost	11	229,364	-
Impairment loss on investment in subsidiaries	7,14	46,937	28,927
Interest income	2,14	(1,431)	(944)
Share in net income of associates	6	(20,513,639)	(6,140,438)
Dividend income	5	-	(2,871,466)
Unrealized foreign exchange gain		-	(2,588)
Operating (loss) income before working capital changes		(13,256,331)	1,676,079
(Increase) decrease in:		, , , , , , , , , , , , , , , , , , ,	
Non-trade receivables		(1,057,449)	(5,511,360)
Other current assets		(1,467,714)	(1,153,095)
Due from related parties		(7,929,978)	(1,319,277)
Increase in:		· · · ·	. ,
Accrued expense and other current liabilities		4,490,467	7,813,723
Cash (used in) from operations		(19,221,005)	1,506,070
Interest received	2	1,431	944
Net cash (used in) from operating activities		(19,219,574)	1,507,014
Cash flows from investing activities			
Acquisition of property and equipment		(49,967)	(977,186)
Dividends received	5	-	2,871,466
Net cash (used in) from investing activities		(49,967)	1,894,280
Cash flows from financing activities			
Advances from related parties	16	9,943,726	5,745,354
(Settlement of amounts due to) advances from a stockholder	16	(980,160)	2,079,796
Principal payments of mortgage payable	11	(958,674)	-
Finance costs paid	11	(229,364)	-
Net cash from financing activities		7,775,528	7,825,150
Net (decrease) increase in cash		(11,494,013)	11,226,444
Cash at January 1		12,016,578	787,546
Effect of foreign exchange rate changes in cash		-	2,588
Cash at December 31		522,565	12,016,578

Notes to the Separate Financial Statements As at and for the years ended December 31, 2024 and 2023 (In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

#### 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:

	2024	2023
Fil-estate Management, Inc.	89.26%	87.98%
PCD Nominee Corporation	3.65%	5.03%
Alakor Securities Corporation	2.43%	3.34%
Smart Share Investments Limited	2.00%	-
Bank of Commerce Trust Services Group	-	2.16%
Others	2.66%	1.49%
	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 12 employees as at December 31, 2024 (2023 - 11).

## 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 February 1, 2024, the Securities and Exchange Commission 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.

## 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 25, 2025.

## 2 Cash in banks

Cash in banks as at December 31, 2024 amounted to P522,565 (2023 - P12,016,578). These accounts generally earn interest at rates based on daily bank deposit rates of 0.025%-0.15%. Interest income earned from cash in banks amounted to P1,431 in 2024 (2023 - P944).

## 3 Non-trade receivables; Due from related parties

Non-trade receivables amounting to P25,138,236 (2023 - P24,080,788) pertains mainly to the royalty income from depot developments in TriNoma and billed to North Triangle Depot Commercial Corporation (NTDCC) (Note 12). 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	2024	2023
Due from related parties	16		
Monumento Rail Transit Corporation (Monumento Rail)		5,314,935	5,314,935
Metro Renewable Transport Solutions, Inc. (MRTSI)		3,566,474	2,748,736
Metro Rail Transit Holdings, Inc. (MRTHI)		117,361	117,361
Metro Rail Transit Holdings II, Inc. (MRTHII)		892,685,883	892,685,883
Metro Solar Power Solutions. Inc. (MSPSI)		7,112,241	-
		908,796,894	900,866,915
Allowance for impairment		(5,314,935)	(5,314,935)
		903,481,959	895,551,980

There is no movement in allowance for impairment of due from related parties for the years ended December 31, 2024 and 2023.

# Critical accounting estimates and judgment: Recoverability of non-trade 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.

Based on management's assessment, management believes that the net carrying amount of trade receivables and due from related parties are recoverable.

#### 4 Other current assets

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

	2024	2023
Creditable withholding tax	2,415,156	1,476,130
Input VAT	227,436	-
Advances to suppliers	-	360,000
	2,642,592	1,836,130

Creditable withholding tax is related to the depot royalty income from NTDCC (Note 13).

## 5 Financial assets at fair value through OCI

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

	2024	2023
Unquoted equity securities	3,058,238,916	3,058,238,916
Quoted equity securities	2,542,055	2,092,420
	3,060,780,971	3,060,331,336

## 5.1 Unquoted equity securities

Unquoted equity securities as at December 31, 2024 consist of investments in MRTHI and MRTHI. 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 (DOTR, formerly "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.

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 sell option to use the shares of stocks of MRTHI and MRTH II to payoff its net advances from FEMI pursuant to the "Letter of Agreement" as discussed in (b) below.

## 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, 2024 and 2023 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 MRTHI. 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.

As at December 31, 2024 and 2023, the Company has assessed that the cost of investments in MRTHI and MRTHII represents the best estimate of fair value of those investments. The Company assessed that the carrying amount of the investments in MRTHI and MRTHII are recoverable and can be realized in the future through the Company's realization of the residual interest in the MRT business and share in the benefits arising from the various proposals submitted to the DOTR regarding MRT3 extension and capacity expansion projects to be undertaken by MRTC. In view of the absence of observable market transactions or comparable market data surrounding the realization of residual interest in the MRT business and the outcome of outstanding proposals with the DOTR, a reliable point estimate of the fair value of the investments in MRTHI and MRTHII cannot be established. Similarly, the uncertainties associated with the approval status of the MRT3 projects and dependency on government decisions result in a wide range of potential valuation outcomes, and cost represents the best estimate of fair value within that range. Based on these factors, management assessed that the cost of the investments represents the best estimate of the fair value of the fair value of the fair value of the investments.

The Company's unquoted financial assets, pertaining to investments in MRTHI and MRTHI, are under Level 3 fair value category. The higher the cost of investments, the higher is the related fair value.

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.

#### (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 DOTR 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 DOTR 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 DOTR 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.

#### 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:

- 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;
- (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 and MRTHII. The total carrying amount of investment in MRTHI and MRTHII and MRTHII.
- (3) The remaining amount of P891,036,773 will be settled in cash and presented as dividend receivable under due from related parties (Note 16). 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:

	2024	2023
Acquisition cost	2,565,582	2,565,582
Cumulative change in fair value		
Beginning of the year	(473,162)	415,580
Change in the fair value during the year	449,635	(888,742)
End of the year	(23,527)	(473,162)
	2,542,055	2,092,420

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

During 2023, the Company received P2,871,466 dividend income from its investments in quoted equity securities. There is no similar transaction in 2024.

#### 6 Investment in associates

Investment in associates as at December 31 consists of:

Ownership					
	Country of	interest		Main activity and registered place of	
	incorporation	2024	2023	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 2 <sup>nd</sup> 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, 2024 and 2023, the Company has no commercial activity.	
				Registered address is at 6 <sup>th</sup> floor, The Belvedere Tower, San Miguel Avenue, Ortigas Center, Pasig City.	

The carrying value of investment in associates as at December 31, 2024 consists of investment in MRTDC amounting to P20,245,057 (2023 - P6,892,041). As at December 31, 2024 and 2023, 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:

	2024	2023
At January 1	6,942,791	19,071,383
Share in net income of MRTDC	20,513,639	6,140,438
Dividends from MRTDC	(7,184,450)	(18,269,030)
Other equity adjustment	(26,923)	-
At December 31	20,245,057	6,942,791

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 December 7, 2023, MRTDC declared dividends to its shareholders amounting to P115,700,000, of which P18,269,030 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 16).

On June 25, 2024, MRTDC declared dividends to its shareholders amounting to P45,500,000, of which P7,184,450 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 16).

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

2024	2023
497,365,692	425,932,530
16,480,919	19,091,940
(246,601,261)	(209,045,044)
(169,563,894)	(190,358,312)
97,681,456	45,621,114
	497,365,692 16,480,919 (246,601,261) (169,563,894)

Statements of total comprehensive income

	2024	2023
Revenue	408,638,855	302,655,357
Net income	129,915,383	38,888,144
Total comprehensive income	129,915,383	38,888,144

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:

	2024	2023
Net assets	97,681,456	45,621,114
Equity interest	15.79%	15.79%
Share of net assets	15,423,902	7,203,574
Other equity adjustment	4,821,156	(260,783)
Carrying value, December 31	20,245,057	6,942,791

#### 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, 2024 and 2023 are not recoverable.

## 7 Investment in subsidiaries

Investment in subsidiaries for the years ended December 31 are as follows:

	Ownership Interest		Balance	
_	2024	2023	2024	2023
Investment in subsidiaries, at cost:				
MGHC Royal Holdings Corporation (MGHC				
Royal)	99%	99%	612,738	612,738
Metro Renewable Transport Solutions, Inc.				
(MRTSI)	100%	100%	625,001	625,001
Metro Solar Power Solutions Inc. (MSPSI)	100%	100%	352,000,000	352,000,000
			353,237,739	353,237,739
Allowance for impairment:				
MGHC Royal Holdings Corporation (MGHC				
Royal)			(280,511)	(233,574)
Metro Renewable Transport Solutions, Inc.				
(MRTSI)			(625,001)	(625,001)
			(905,512)	(858,575)
Investment in subsidiaries, net			352,332,227	352,379,164

The movement in cost of investments in subsidiaries for the years ended December 31 are as follows:

	2024	2023
At January 1	353,237,739	1,237,739
Additions	-	352,000,000
At December 31	353,237,739	353,237,739

## 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.

#### MSPSI

MSPSI is a company registered with the SEC on September 28, 2016 primary established primarily to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.

On October 10, 2016, MSPSI's Board of Directors approved the amendment of its Articles of Incorporation changing the corporate name to Metro Solar Power Solutions, Inc. from Metro Solar Power Energy Ventures, Inc. The amendment was approved by the Securities and Exchange Commission on January 9, 2017. Its registered address, which is also its principal place of business, is located at the Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City.

#### Acquisition of MSPSI

On September 24, 2018, the Board authorized the Company to enter into a Memorandum of Agreement with FEMI whereby the Company agreed to the subscription of FEMI to 750 million common shares of the capital stock of the Company at par value of P1 per share to be issued out of the planned capital increase in the authorized capital stock of the Company from P2 billion divided into 2 billion common shares with par value of P1 per share to P5 billion divided into 5 billion common shares with a par value of P1 per share resulting to a P3 billion increase in capital stock of the Company.

Pursuant to the Memorandum of Agreement, the subscription price of P750 million was to be paid in the following manner:

- a) The amount of P500 million was to be paid by the assignment of FEMI's advances to the Company amounting to P500 million (Note 16); and
- b) The amount of P250 million was to be paid in a manner to be agreed upon by FEMI and the Company upon approval of the above-mentioned capital increase.

During the pendency of the Company's application for increase in capital stock at the SEC, on August 23, 2023, the Company and FEMI entered into a Deed of Assignment whereby the parties agreed that the balance of P250 million be paid by FEMI via assignment of FEMI to the Company of FEMI's 100% shareholdings in MSPSI, with an enterprise value of P352 million as appraised by an independent third-party appraiser. As stipulated in the Deed of Assignment, FEMI absolutely and irrevocably assigned, transferred and conveyed in favor of the Company all of FEMI's rights, title and interest to 100% of the issued and outstanding shares of MSPSI consisting of 250,000 common shares with par value of P100 per share in full payment of the remaining P250 million balance out of the P750 million subscription of FEMI. The excess in consideration received by the Company upon acceptance of the MSPSI shares amounting to P102 million was agreed to be booked as deposit in future stock subscription of FEMI to the new share issuances of the Company in the future.

As a result of the transactions above, the Company has gained control over MSPSI effective August 23, 2023 and recognized an addition to investment in subsidiary amounting to P352 million with a corresponding increase in deposit for future stock subscription (Note 16).

During November 2023, the Company has paid and completed the required filings with the SEC regarding its application for increase in capitalization. On February 1, 2024, the SEC approved the increase in the capital stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share. Subsequently, on April 8, 2024, the SEC approved the valuation of the 250,000 Metro Solar shares in the amount of P250 million as payment by FEMI for the issuance by the Parent Company of 250 million common shares at par value of P1 per share in favor of FEMI.

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

	2024	2023
At January 1	858,575	829,648
Impairment loss	46,937	28,927
At December 31	905,512	858,575

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 P46,937 for the year ended December 31, 2024 (2023 - P28,927). For the years ended December 31, 2024 and 2023, 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. 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.

Management has assessed that the investment in MSPSI is not impaired as at December 31, 2024 and 2023.

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.

## 8 Property and equipment, net

Details and movements of property and equipment, net, consisting of transportation equipment, as at December 31 are as follows:

For the year ended December 31, 2023	
Opening net carrying amount	-
Additions	977,186
Depreciation (Note 14)	(38,889)
Closing net carrying amount	938,297
At December 31, 2023	
Cost	977,186
Accumulated depreciation	(38,889)
Net carrying amount	938,297
For the year ended December 31, 2024	
Opening net carrying amount	938,297
Additions	2,470,814
Depreciation (Note 14)	(1,493,555)
Closing net carrying amount	1,915,556
At December 31, 2024	
Cost	3,448,000
Accumulated depreciation	(1,532,444)
Net carrying amount	1,915,556

During the year ended December 31, 2024, the Company purchased a vehicle with cost of P2,420,847 financed through a chattel mortgage. As at December 31, 2024, the Company's unpaid property and equipment reported under mortgage payable amounted to P1,462,173 (2023 - nil) (Note 11).

#### 9 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 13) 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.

On December 14, 2023, the Company signed an Alternative Compliance Agreement with Global Estate Resorts Inc., and NTDCC, which calls for the payment by NTDCC of depot royalty income due on the development of various lot pads located in North Avenue, Quezon City, which should have been completed in year 2019. In view of the delay and non-completion of the development of said lot pads, NTDCC agreed to pay the Company additional compensation in 2023 amounting to P20,583,728 to cover the projected depot royalty income due from 2019 to 2023, and thereafter pay a yearly depot royalty income from 2024-2026 based on the agreed schedule.

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, 2023	
Cost	901,471
Accumulated amortization	(218,536)
Net carrying amount	682,935
For the year ended December 31, 2023	
Opening net carrying amount	682,935
Amortization	(25,041)
Closing net carrying amount	657,894
At December 31, 2023	
Cost	901,471
Accumulated amortization	(243,577)
Net carrying amount	657,894
For the year ended December 31, 2024	
Opening net carrying amount	657,894
Amortization	(27,317)
Closing net carrying amount	630,577
At December 31, 2024	
Cost	901,471
Accumulated amortization	(270,894)
Net carrying amount	630,577

## 10 Accrued expenses and other current liabilities

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

	2024	2023
Advances from MPIC	350,000,000	350,000,000
Accrued expenses	65,706,603	58,352,488
Payable to regulatory agencies	560,480	1,325,022
Output VAT payable	82,897	2,208,927
	416,349,980	411,886,437

## 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. 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, 2024 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, 2024 and 2023.

## 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.

#### 11 Mortgage payable

During the year ended December 31, 2024, the Company availed a vehicle loan payable monthly for two years from the date of acquisition with annual interest rate of 9.23%.

Movements in mortgage payable presented in the statements of financial position and statements of cash flows for the year ended December 31, 2024 are as follows:

Beginning of the year	-
Availment of mortgage payable	2,420,847
Finance cost	229,364
Principal payments of mortgage payable	(958,674)
Payment of finance cost	(229,364)
End of the year	1,462,173
Current portion	850,305
Non-current portion	611,868
	1,462,173

#### 12 Equity

#### Share capital

The details of share capital as at December 31 are as follows:

	2024	2023
Authorized share capital	5,000,000,000	2,000,000,000
Subscribed share capital at January 1	2,000,000,000	2,000,000,000
Issuance of shares of stock	750,000,000	-
Subscribed share capital	2,750,000,000	2,000,000,000
Less: Subscription receivable	(1,446,819)	(1,446,819)
Issued and subscribed share capital	2,748,553,181	1,998,553,181
Par value per share	1	1
Amount of share capital	2,748,553,181	1,998,553,181

Track record of registration of securities

	Authorized	Number of shares	
Date of SEC approval	shares	subscribed	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
February 1, 2024	3,000,000,000	750,000,000	1.00
	5,000,000,000	2,750,000,000	

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 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 million, divided into 30 billion shares with a par value P0.01 per share, to P2 billion divided into 2 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 87.98% shareholding of the Company.
- e. On February 1, 2024, the SEC approved the increase in the authorized capital stock of the Company from P2 billion to P5 billion, divided into 5 billion shares with a par value of P1 per share.

During the pendency of the application of increase in capital stock from P2 billion to P5 billion, at the Annual Stockholder's Meeting held on October 12, 2023, the stockholders approved to further increase the authorized capital stock of the Company, from P5 billion divided into 5 billion shares with a par value of P1 per share to P10 billion divided into 10 billion shares with a par value of P1 per share. The stockholders also approved the subscription of FEMI to P1.25 billion, equivalent to 1.25 billion shares at P1 par value, which subscription is to be partially paid to the extent of P312 million via offset of Company's debt to FEMI in the amount of P186 million, the assignment of FEMI's deposit for future subscription in the amount of P102 million and the amount of P24 million to be paid in cash.

## Issuance of shares of stock

Following the approval by the SEC of the valuation of the Metro Solar shares (Note 7), on July 15, 2024, the Company issued shares of stock of 750 million common shares at par value of P1 per share in favor of FEMI by way of applying a portion of FEMI's deposit for future stock subscription amounting to 750 million (Note 16).

## 13 Depot royalty income

Depot royalty income for the year ended December 31, 2024 amounting to P33,062,546 (2023 - P44,664,516) 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.

#### 14 General and administrative expenses

This account consists of the following:

	Notes	2024	2023
Salaries and wages		20,157,320	17,975,910
Fees		8,274,142	6,333,308
Transportation and travel		5,814,226	5,913,806
IT expense		5,080,000	4,882,959
13th month pay		2,213,865	1,770,532
Professional and retainer's fee		1,928,750	3,245,000
Depreciation	8	1,493,555	38,889
Taxes and licenses		1,377,071	1,528,332
Legal		398,998	1,528,332
Director's fee		325,146	97,550
Amortization expense	9	27,317	396,757
Telephone, telegraphic, and postage		16,049	25,041
Others		733,311	844,283
		47,839,750	43,052,367

Fees include documentary stamp tax payment for the amended articles of incorporation in line with the increase of authorized capital stock and expansion of primary purpose amounting to P7,500,000 (2023 - P6,000,000).

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

## 15 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, 2023 onwards, the minimum corporate income tax rate shall be 2%,

Under CREATE, the Company prepared its annual income tax return for the year ended December 31, 2024 and 2023 using the updated rate of 25%.

The Company used minimum corporate income tax for purposes of the income tax calculation for the taxable years 2024 and 2023.

#### Deferred income tax (DIT)

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

	2024	2023
Allowance for impairment of other receivables	1,328,734	1,328,734
MCIT	1,526,836	948,524
	2,855,570	2,277,258

Under the Tax Reform Act of 1997 (the "Act"), the Company shall pay the Minimum Corporate Income Tax (MCIT) or the normal income tax, whichever is higher. Following the enactment of the CREATE law, from July 1, 2020 to June 30, 2023, the MCIT is 1% (from January 1 to June 30, 2023) and 2% (from July 1, 2023 onwards) of gross income as defined under the Act. Any excess of the MCIT over the normal income tax shall be carried forward annually and credited against the normal income tax for the next three succeeding taxable years.

Year of incurrence	Year of expiration	Tax rate	2024	2023
2021	2024	1%	82,938	82,938
2022	2025	1%	195,579	195,579
2023	2026	1.5%	670,007	670,007
2024	2027	2%	661,250	-
			1,609,774	948,524
Expired during the year	r		(82,938)	-
			1,526,836	948,524

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	2024	2023
2021	2025	-	1,062,032
2022	2026	13,481,700	14,006,478
2024	2027	15,030,647	-
		28,512,347	15,068,510
Applied during the year		-	1,586,810
		28,512,347	13,481,700
Applicable tax rate		25%	25%
Unrecognized DIT asset		7,128,087	3,370,425

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:

2024	2023
1,365,391	2,649,671
(5,128,410)	(1,535,109)
3,757,662	-
82,938	-
5,715	244
(358)	(236)
-	(717,867)
-	(396,703)
82,938	-
	1,365,391 (5,128,410) 3,757,662 82,938 5,715 (358) -

#### Critical accounting judgment: Realizability of deferred tax assets

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.

#### 16 Related party transactions and balances

Transactions and balances with related parties are presented as follows:

	Transa	Transactions		nces	
	2024	2023	2024	2023	Ref.
Due from related parties -					
non-current (Note 3)					
Reimbursement of expenses					(a)
MRTSI - subsidiary	817,738	1,319,777	3,566,474	2,748,736	
MSPSI - subsidiary	7,112,241	-	7,112,241	-	
MRTHI - investee	-	-	117,361	117,361	
MRTHII - investee	-	-	1,649,110	1,649,110	
Dividend receivable					(b)
MRTHII - investee	-	-	891,036,773	891,036,773	
	7,929,979	1,319,777	903,481,959	895,551,980	
Due to a stockholder					
Payments to (advances from) FEMI	980,160	(2,079,796)	(203,317,327)	(204,297,487)	(c)
Debt-to-equity conversion (non-cash)	-	500,000,000	-	-	(h)
Due to other related parties					
Advances					
MGHC Royal - subsidiary	50,261	23,737	(268,763)	(319,024)	(d)
MRTHI - investee	-	-	(221,939,234)	(221,939,234)	(e)
MRTDC - associate	(9,993,987)	(5,769,091)	(21,227,865)	(18,418,328)	(f)
Dividend settlement (non-cash)					(f)
MRTDC - associate	7,184,450	18,269,030	-	-	
			(243,435,862)	(240,676,586)	
Assignment of MSPSI shares			,	,	
FEMI	-	352,000,000	-	-	(g)
Deposit for future stock					
subscription					
FEMI	(750,000,000)	852,000,000	102,000,000	852,000,000	(g)

#### (a) Reimbursement of expenses

Receivables from MRTSI, MSPSI, 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 and 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 billion, and the cost of acquisition of shares of MRTHII amounting to P180 million.

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 million, the Company assigns to FEMI for a period of fifteen (15) years commencing on January 30, 2023 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.

Over the years, the amount of liability was reduced mainly through repayments and conversion of FEMI advances into equity. There was a net advance for the year amounting to P433,269 (2023 - P2,079,796 net repayments). In addition, per the execution of the Deed of Assignment with FEMI dated October 10, 2019 and the completion of the application on November 2023, P500 million of advances was fully paid through the conversion into equity of a portion of FEMI advances to the Company (Note 7; Ref. h below).

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, 2024 and 2023.

## (d) Advances from MGHC Royal

Amounts payable to MGHC Royal arose from advances to the Company for settlement of outstanding obligations. For the year ended December 31, 2024, the Company settled advances from MGHC Royal amounting to P50,261 (2023 - P23,737).

Outstanding 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, 2024 and 2023.

## (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, 2024 and 2023.

## (f) Advances from MRTDC

Outstanding amounts payable to MRTDC arose from advances to Company for settlement of outstanding obligations. During the years ended December 31, 2024 and 2023, MRTDC declared dividends to the Company. This resulted in the reduction of the outstanding liability as set out in the details in Note 6 and treated as a non-cash operating activity in the statements of cash flows. Additionally, for the year ended December 31, 2024, the Company received additional advances from MRTDC amounting to P9,993,987 (2023 - P5,769,091).

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, 2024.

#### (g) Deposit for future stock subscription

On October 10, 2019, FEMI and the Company executed a Deed of Assignment (of Advances) whereby FEMI assigned, transferred and conveyed unto the Company the advances of FEMI to the Company in the aggregate amount of P500 million in partial payment of FEMI's P750 million subscription out of the planned P3 billion increase in capital stock of the Company (Note 1). This will result to a recognition of a deposit for future stock subscription amounting to P500 million which will be applied to new share issuances once the SEC approved the increase in capitalization.

On November 2023, the Company already paid and completed the required filings with the SEC in relation to the increase in capitalization. Accordingly, as at December 31, 2023, deposit for future stock subscription totaling P852 million is recognized and classified as part of equity in the statements of financial position. Subsequently, on February 1, 2024, the SEC approved the increase in the capital stock of the Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share such that the capital stock now stood at P5 billion divided into 5 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided pe

Following the approval by the SEC of the valuation of the Metro Solar shares (Note 7), on July 15, 2024, the Company issued shares of stock of 750 million common shares at par value of P1 per share in favor of FEMI by way of applying a portion of FEMI's deposit for future stock subscription amounting to P750 million. As at December 31, 2024, deposit for future stock subscription amounted to P102 million, representing the excess in consideration received by the Company upon acceptance of the MSPSI shares amounting to P102 million and was agreed to be retained as deposit in future stock subscription of FEMI to any new share issuances of the Company in the future (Note 7).

## 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.

## 17 Earnings per share

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

	2024	2023
Consolidated net income of MGHC and subsidiaries	(8,147,318)	11,871,074
Divided by weighted average number of shares outstanding	2,373,553,181	1,998,553,181
Basic and diluted (loss) earnings per share	(0.0034)	0.0059

The Company has no potential dilutive ordinary shares for the years ended December 31, 2024 and 2023. Therefore, the amounts reported for basic and diluted earnings per share are the same.

## 18 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.

#### 19 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 16)
- 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 16)
- Measurement of unquoted equity instruments cost as an estimate of fair value (Note 5)
- Recoverability of investment in associates (Note 7)
- Income taxes (Note 15)

## 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	2024	2023
At amortized cost			
Cash in banks	2	522,565	12,016,578
Non-trade receivables	3	25,138,236	24,080,788
Due from related parties	3	908,796,894	900,866,916
		934,457,695	936,964,282
At FVOCI			
Unquoted equity securities	5	3,058,238,916	3,058,238,916
Quoted equity securities	5	2,542,055	2,092,420
		3,060,780,971	3,060,331,336
		3,995,238,666	3,997,295,618

Due from related parties are presented gross of allowance for impairment of P5,314,935 as at December 31, 2024 and 2023.

#### Financial liabilities

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

	Notes	2024	2023
Advances from MPIC	10	350,000,000	350,000,000
Accrued expenses and other current liabilities	10	65,789,498	58,352,488
Mortgage payable	11	1,462,173	-
Due to a stockholder	16	203,317,327	204,297,487
Due to other related parties	16	243,435,862	240,676,586
		864,004,860	853,326,561

Other current liabilities excluded pertain to payables to government agencies and output VAT which are not considered as 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. 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	More than 12	
	Months	months	Total
2024			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	65,789,498	-	65,789,498
Mortgage payable	850,305	611,868	1,462,173
Future interest on mortgage payable	99,531	21,356	120,887
Due to a stockholder	-	203,317,327	203,317,327
Due to related parties	-	243,435,862	243,435,862
	416,739,334	447,386,413	864,125,747
2023			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	58,352,488	-	58,352,488
Due to a stockholder	-	240,297,487	204,297,487
Due to related parties	-	240,676,586	240,676,586
·	408,352,488	480,974,073	853,326,561

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				Basis of
	carrying	Allowance	Net carrying	Internal	recognition of
	amount	provided	amount	credit rating	ECL
2024		•			
Cash in banks	522,565	-	522,565	Performing	12-month ECL
Trade and other				-	
receivables					
				Collective	
Group 1	25,138,236	-	25,138,236	assessment	Lifetime ECL
Due from related parties					
Group 2	908,796,894	-	908,796,894	Performing	12-month ECL
Group 3	5,314,935	(5,314,935)	-	Credit impaired	Lifetime ECL
	939,772,630	(5,314,935)	934,457,695		
2023					
Cash in banks	12,016,578	-	12,016,578	Performing	12-month ECL
Trade and other					
receivables					
				Collective	
Group 1	24,080,788	-	24,080,788	assessment	Lifetime ECL
Due from related parties					
Group 2	895,551,980	-	895,551,980	Performing	12-month ECL
Group 3	5,314,935	(5,314,935)	-	Credit impaired	Lifetime ECL
	936,964,281	(5,314,935)	931,649,346		

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, 2024 and 2023. 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	2024	2023
Equity			
Share capital	11	2,748,553,181	1,998,553,181
Additional paid-in capital		589,120,804	589,120,804
Deposit for future stock subscription	16	102,000,000	852,000,000
Retained earnings		66,329,510	60,950,886
		3,506,003,495	3,500,624,871
Debt			
Due to a stockholder	16	203,317,327	204,297,487
Due to related parties	16	243,435,862	240,676,586
		446,753,189	444,974,073
		3,952,756,684	3,945,598,944

## 20 Summary of material 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) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- Philippine Accounting Standards (PAS), and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, 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 Accounting Standards 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 19.

The Company has also prepared consolidated financial statements in accordance with PFRS Accounting Standards. 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, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 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 on or after January 1, 2024 that are relevant to and have a material 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), non-trade receivables (Note 3), and due from related parties (Notes 3 and 16).

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 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 non-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 payable to government agencies) (Note 10), mortgage payable (Note 11), due to a stockholder (Note 16), and due to other related parties (Note 16).

#### 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, 2024 and 2023 approximate their fair values due to their short-term maturities.

The carrying value of due from related parties, due to a stockholder and due to other related parties approximates their fair value, 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 Non-trade receivables

Non-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.

Non-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.

#### 20.8 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.

#### 20.9 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.

#### 20.10 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 9).

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.

#### 20.11 Deposit for future stock subscription

Deposit for future stock subscriptions refer to the amount of money or property received by the Company with the purpose of applying the same as payment for future issuance of stocks which may or may not materialize. Deposit for future stock subscriptions cannot be considered as part of the capital stock of the Company until shares of stocks are actually issued in consideration thereof.

On May 11, 2017, SEC issued an amendment on SEC Bulletin No. 6 (issued in 2012) for the treatment of the deposit for future stock subscriptions. As stated, an entity shall classify a contract to deliver its own equity instruments under equity as deposit for future stock subscriptions if and only if, all of the following elements are present as of the end of the period:

- The unissued authorized capital of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase in authorized capital stock; and
- The application for the approval of the increase in capital stock has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as part of liability. The amount of deposit for future stock subscriptions will be reclassified to equity account when the Company meets the foregoing elements.

#### 20.12 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.

#### 20.13 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.

#### 20.14 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.

#### 20.15 Cost and expense recognition

Costs and expenses in the statement of total comprehensive income are presented using the function of expense method.

#### 20.16 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 to be 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.

Management did not recognize any liability in respect of the defined benefit retirement plan as management assessed this to be immaterial as at December 31, 2024 and 2023.

#### (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.

#### 20.17 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.

#### 20.18 Current and deferred income tax

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.

#### 20.19 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.

#### 20.20 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.

#### 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, 2024 and the revenues upon which the same was based consist of:

	Tax base	VAT
Vatable sales	32,005,539	3,840,665

Output VAT paid during the year ended December 31, 2024 amounted to P3,757,768.

#### (ii) Input VAT

Movements in input VAT for the period ended December 31, 2024 are as follows:

	Amount
Beginning balance	-
Add: Current period's domestic purchases/payments for:	
Goods other than capital goods	13,168
Domestic purchase of services	297,165
Total input VAT for the year	310,333
Application against output VAT	(82,897)
Total input VAT	227,436

(iii) Importations

There were no importation transactions made for the year ended December 31, 2024.

#### (iv) Documentary stamp taxes

For the year ended December 31, 2024, the Company paid P7,500,000 documentary stamp taxes in relation to its increase in authorized capital stock.

#### (v) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2024 consist of:

Business permit	1,365,778
Others	11,293
	1.377.071

The above local and national taxes are lodged under taxes and licenses account in general and administrative expenses (Note 13).

#### (vi) Withholding taxes

Withholding taxes accrued and paid as at and for the period ended December 31, 2024 follow:

	Paid	Accrued	Total
Withholding tax on compensation	2,422,735	297,465	2,720,200
Expanded withholding tax	158,904	139,431	298,335
	2,581,639	436,896	3,018,535

Withholding taxes payables above are presented as part of accrued expenses and other current liabilities in the statement of financial position (Note 10).

#### (vii) Tax assessments

The Company has no outstanding tax assessments from the BIR as at December 31, 2024.

#### (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, 2024.



**ANNEX A-3** 

### METRO GLOBAL HOLDINGS CORP. 2024 SUSTAINABILITY REPORT

### Contextual Information

COMPANY DETAILS		
METRO GLOBAL HOLDINGS CORPORATION ("MGHC")		
Mezzanine Floor, Renaissance Centre, Meralco Avenue, Pasig City, Metro Manila		
Mezzanine Floor, Renaissance Centre, Meralco Avenue, Pasig City, Metro Manila		
<ul> <li>Metzahine Floor, Kehassance Centre, Metaco Avende, Pasig City, Metro Mahia</li> <li>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. MGHC's immediate and ultimate parent company is Fil-Estate Management, Inc. (FEMI).</li> <li>Metro Global Holdings Corporation subsidiaries are as follows::</li> <li>MGHC Royal Holdings Corporation (MGHC Royal) (99%) 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.</li> <li>Metro Renewable Transport Solutions, Inc. (Metro Transport) (99%) 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, needs, bridges, railways, ports, highways and other passages and facilities for transportation and communication.</li> </ul>		
<ol> <li>Metro Solar Power Solutions, Inc. (MSPSI) is a company registered with the SEC on September 28, 2016 established primarily to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution. On October 10, 2016, MSPSI's Board of Directors approved the amendment of its Articles of Incorporation changing the corporate name to Metro Solar Power Solutions, Inc. from Metro Solar Power Energy Ventures, Inc. The amendment was approved by</li> </ol>		

	the Securities and Exchange Commission on January 9, 2017. MGHC gained control over MSPSI effective August 23, 2023. The net identifiable assets acquired has fair value of P352Million at the acquisition date.
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, 2024
Highest Ranking Person responsible for	Mr. Robert John L. Sobrepeña, Chief Executive Officer
this report	Mr. Ramon G. Jimenez, Chief Finance Officer
	Ms. Solta S. Alcantara, Chief Audit Executive

### 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, the Build, Lease and Transfer (BLT) Agreement which operates and maintains the system for 25 years commencing 2000 and will expire on July 15, 2025. In 2024, the MRT 3 served 135,885,336 passengers, which is more than 5.3 percent higher compared to its ridership in 2023. Said rise in passenger numbers can be attributed to the rail line's continuous maintenance and operational improvements, following its major rehabilitation in 2021.

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).

MGHC ownership interests in MRTHI and MRTHII as at December 31, 2024 are as follows:

Investee	Direct Interest	Indirect Interest	Effective Interest	Nature of Business
MRTH I	18.6%	-	18.6%	Holding Company
MRTH II	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.

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.

On February 1, 2024, the Securities and Exchange Commission 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, waste-to-energy and other energy projects.

#### MATERIALITY

The key findings of the materiality analysis are as follows:

The Company and its subsidiaries, MGHC Royal Holdings Corporation (MGHC Royal), Metro Renewable Transport Solutions, Inc. (MRTSI) and Metro Solar Power Solutions, Inc. (MSPSI) which is engaged in solar, wind and other renewable energy generation facilities <u>subject to regulations which require compliance with environmental laws</u>.

The Company has twelve (12) employees as of December 31, 2024 (2023 - 11).

Its subsidiaries, MGHC Royal and Metro Renewable Transport Solutions, Inc. are both not yet in commercial operation and have no employees as of December 31, 2024. 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.

On February 1, 2024, The Securities and Exchange Commission approved the amendment of the Company's 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.

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 has gained control over Metro Solar Power Solutions, Inc. (MPSI) effective August 23, 2023. Based on the valuation report prepared by Santos Knight Frank, Inc dated March 31, 2023, the value of the leashold property is P341 million. Metro Solar's main project is the development of the 52.5 megawatt solar farm project in Pililia, Rizal.

The revised strategy will deliver the reference values for sustainability related action beyond 2024.

#### 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

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). Depot royalty income for the year ended December 31, 2024 amounting to P33,062,546 (2023-P44,664,516, 2021-P19,546,766) 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.

Disclosure	Units	Amount (2024)	Amount (2023)
Direct economic value generated (revenue)	PhP	P33,062,546.00	P44,664,516.00
Direct economic value distributed:			
a. General and Administrative Expenses	PhP	38,096,747.00	27,144,785.00
b. Employee wages and benefits	PhP	23,102,525.00	20,009,266.00
c. Payments to suppliers, other operating costs	PhP	1.104,985.00	16,946.00
d. Dividends given to stockholders and interest payments to loan providers	PhP		
e. Taxes given to government	PhP	1,415,758.00	1,528,832.00
f. Investments to community (e.g. donations, CSR)	PhP	50,000.00	32,719.00
Total General and Administrative expenses	PhP	63,770,015.00	48,732,548.00

The Group's General and Administrative expenses consists of the following:

Fees include SEC payment or the amended articles of incorporation in line with the increase of authorized capital stock and expansion of primary purpose amounting to P7,500,000 (2023- P6,001,000; 2022 – nil). Others include advertising and promotions, trainings, registration fees, bank charges, office supplies, food expense, insurance and utilities.

The Group posted net operating loss of P7.697 million in 2024 as compared to net operating income of P4.808 million in 2023. The Group's Retained earnings decrease from P3.492 billion to P3.484 billion in view of the P7.697 million net loss recognized by the Group in 2024. The Group recognize a Stockholders Equity balance of P3.484 billion in 2024.

What is the impact and where does it occur? What is the		Management Approach
organization's involvement in the impact? Identify the impact and where	affected?	What policies, commitments, goals and targets, responsibilities,
it occurs (i.e., primary business operations and/or supply chain. ndicate involvement	(e.g. employees, community,	resources, grievance mechanisms, and/or projects, programs, and
in the impact (i.e., caused by the organization or linked to impacts though its business	suppliers, government,	initiatives do you have to manage the material topic?
relationship)	vulnerable group)	
On February 1, 2024, the SEC approved the Parent Company's	Stockholder- Fil-Estate	The Group has an approved material related party
application for increase in capitalization from P2 billion to P5 billion,	Management, Inc. (FEM), the	transactions policy that sets forth the required thresholds
divided into 5 billion shares with a par value of P1 per share. Following	parent company of MGHC,	

the approval by the SEC of the valuation of the Metro Solar Shares, the Parent Company issued shares of stock of 750 million common shares at par value of P1 per share in favor of FEMI by way of applying a portion of FEMI;s deposit for future stock subscription amounting to P750 million.	Metro Solar Power Solutions, Inc.	for approval for related party tranactions as part of the Group's corporate governance policy.
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
<ul> <li>The most important type of risk the Group's manages are are liquidity risks and credit risks.</li> <li>1. Liquidity Risk arises from the possibility that the Group will encounter difficulty in raising funds to meet associated commitments with financial instruments.</li> </ul>	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 The Group continues to obtain support from FEMI to finance the Group's operations.
<ol> <li>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 hat may represent a concentrarion in ghe Group's</li> </ol>	FEMI Banks	The Group has a significant concentration of credit risk on the 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.

business, could result in losses that are different fro those provided for at reporting date. <b>Credit Risk</b> 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.	Customer - NTDCC	In addition, credit risk is minimized by monitoring receivables regularly. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets. The Group does not hold any collateral as security to the above financial assets
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	Investors and	The Company coordinates and negotiates closely with
cash infusions into the Company over the next five years.	Shareholders	its Parent Company to manage cash flow risks.
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.		

## Climate-related risks and opportunities

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's	Disclose the actual and potential impacts	Disclose how the	Disclose the metrics and targets
governance around climate-	of climate-related risks and opportunities	organization identifies,	used to assess and manage
related risks and opportunities	on the organization's business, strategy,	assesses, and manages	relevant climate-related risks and
		climate related risks	

	and financial planning where such information is material		opportunities where such information is material				
Recommended Disclosures	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.				
The Parent Company has gained control over MSPSI effective August 23, 2023. Right-of-use asset includes the value of he Solar Energy Service Contract wihich will pave the way for the creation of the Solar Power Project. Based on the valuation report prepared by Santos Knight Frank, Inc. dated March 31, 2023, the value of the leaeshold property is P341 million using the income approach as of December 31, 2022. The fair value adjustment is calculated as the present value of the rent savings when the contract rent at the time of the appraisal is less than the current market rent. During November 2023, the Parent Company has paid and completed the required filings with the SEC.	Amendment of the primary purpose to allow the engagement of the Company into development of solar, wind and other renewable energy generation facilities; and 2) Amendment to increase the authorized capital stock of the Company from P2 billion	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.				

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.	On December 13, 2021, MRTHII declared dividends to its shareholders, of which P2,606,190,497 pertains to the Group's share which resulted to positive net equity balance. 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	0/0
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)	<b>Management Approach</b> 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? 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
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		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		%
Percentage of directors and management that have received anti-corruption training		%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where of What is the organization's invo		Which stakeholders are affected?	Management Approach
<b>impact?</b> Identify the impact and where it occurs ( operations and/or supply chain)	vu	ulnerable groups)	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)		
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?	Which stakeholders are affected?	Management Approach
Identify risk/s related to material topic of the organization	Not applicable	Notarrliashla
Not applicable What are the Opportunity/ies Identified?	Not applicable Which stakeholders are affected?	Not applicable Management Approach
Identify the opportunity/ies related to material topic of the organization		
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		#
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?	Which stakeholders are affected?	Management Approach
What is the organization's involvement in the		
impact?	(e.g. employees, community, suppliers, government, vulnerable	What policies, commitments, goals and targets,
	groups)	responsibilities, resources, grievance mechanisms, and/or
Identify the impact and where it occurs (i.e., primary business		projects, programs, and initiatives do you have to manage the
operations and/or supply chain)		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 Attinable
	11	Not Applicable
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?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the		
organization		
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

<ul> <li>What is the impact and where does it occur?</li> <li>What is the organization's involvement in the impact?</li> <li>Identify the impact and where it occurs (i.e, primary business operations and/ or supply chain)</li> <li>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</li> </ul>	Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups)	<b>Management Approach</b> 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	Which stakeholders are affected?	Management Approach
impact?	(e.g. employees, community, suppliers, government, vulnerable	What policies, commitments, goals and targets,
Identify the impact and where it occurs (i.e., primary business operations and/ or supply chain)	groups)	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		
Average day-to-day consumption of employees and executive	Employees/Officers	To conserve energy. Meeting the needs of the present without
officers of the Company.		compromising the ability of future generations to meet their
		own needs.
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?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		
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?	Which stakeholders are affected?	Management Approach
What is the organization's involvement in the		
impact?	(e.g. employees, community, suppliers, government,	What policies, commitments, goals and targets,
	vulnerable groups)	responsibilities, resources, grievance mechanisms, and/or
Identify the impact and where it occurs (i.e., primary		projects, programs, and initiatives do you have to manage
business operations and/or supply chain)		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?	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?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		
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	N/A	
areas		
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?	Which stakeholders are affected?	Management Approach
What is the Organization's involvement in the		
impact?		What policies, commitments, goals and targets,
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	(e.g. employees, community, suppliers, government, vulnerable groups)	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?	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?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		
Not Applicable	Not Applicable	Not Applicable

Environmental impact management

### Air Emissions

### GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	N/A	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions	N/A	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	N/A	Tonnes

<ul> <li>What is the impact and where does it occur?</li> <li>What is the organization's involvement in the impact?</li> <li>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</li> <li>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</li> </ul>	Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups)	<b>Management Approach</b> 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?	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 Operantication Identified?	Which states hald are are affected	Managamant Annua al
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

## <u>Air pollutants</u>

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	Which stakeholders are affected?	Management Approach
impact? Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	(e.g. employees, community, suppliers, government, vulnerable groups)	W hat 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?	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?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		
Easing Traffic Congestion, Improving Traffic	Community, Government	Approval of the signing of a Memorandum of
Management for Baguio City, Minimizing		Understanding (MOU) with the City of Baguio
Environmental Impact and Increasing Benefits of		concerning the Development of an Intelligent
Transportation to the Public in General		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

<ul> <li>What is the impact and where does it occur?</li> <li>What is the organization's involvement in the impact?</li> <li>Identify the impact and where it occurs (i.e., primary business operations and/ or supply chain)</li> <li>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</li> </ul>	Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups)	Management Approach What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/ or projects, programs, and initiatives do you have to manage the material topic?
The company produces solid waste like used bond paper, used printer cartridges, used computer hardware, used telephones, etc. in its operations.	Employees, Suppliers	Recycle of used bond paper and refill of printer cartridges.
What are the Risk/s Identified? Identify risk/s related to material topic of the organization	Which stakeholders are affected?	Management Approach
Pest infection of office premises.	Employees	Quarterly Pest Control program of the work place.
What are the Opportunity/ies Identified? Identify the opportunity/ies related to material topic of the organization	Which stakeholders are affected?	Management Approach
Not Applicable	Not Applicable	Not Applicable

## Hazardous Waste

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

What is the impact and where does it occur?	Which stakeholders are affected?	Management Approach
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)	(e.g. employees, community, suppliers, government, vulnerable groups)	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.

### <u>Effluents</u>

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	Which stakeholders are affected?	Management Approach
impact?	(e.g. employees, community, suppliers, government, vulnerable groups)	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or</i>
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	Scontra)	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?	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?	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?	Which stakeholders are affected?	Management Approach
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)	(e.g. employees, community, suppliers, government, vulnerable groups)	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	community, government	Not Applicable
operations that are subject to regulations, which		
require compliance with environmental laws.		
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	Which stakeholders are affected?	Management Approach
organization		
Not Applicable	Not Applicable	Not Applicable

SOCIAL

### Overall, the Group has 40% female and 60% male representation.

Disclosure	Unit	MGHC	MRTC	MRTDEVCO	MONUMENT O
	s Quantity		Quantity		
a. Number of female employees	#	6	1	6	0

b. Number of male employees	#	6	0	13	0
Ratio of lowest paid employee against minimum wage	ratio	1:3	1:1.9	1:1.4	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%	none
Sick leaves	Y	100%	none
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	Ν	none	none
Telecommuting	Y	none	none
Flexible-working Hours	Y	1	1

# MRTC (MRTHI and MRTH II)

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	Ν	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	Ν	none	none
Telecommuting	Y	none	None
Flexible-working Hours	Y	none	None
(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	16%	None
PhilHealth	Y	none	18%
Pag-ibig	Y	50%	53%
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	Ν	none	None
Telecommuting	Y	none	none
Flexible-working Hours	Y	none	none
(Others)		none	None

## MONUMENTO

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	n/a	n/a
PhilHealth	Y	n/a	n/a
Pag-ibig	Y	n/a	n/a

Parental leaves	Y	n/a	n/a
Vacation leaves	N	n/a	n/a
Sick leaves	Y	n/a	n/a
Medical benefits (aside from PhilHealth))	Y	n/a	n/a
Housing assistance (aside from Pag- ibig)	Y	n/a	n/a
Retirement fund (aside from SSS)	Y	n/a	n/a
Further education support	Y	n/a	n/a
Company stock options	Ν	n/a	n/a
Telecommuting	Y	n/a	n/a
Flexible-working Hours	Y	n/a	n/a
(Others)		n/a	n/a

<ul> <li>What is the impact and where does it occur? What is the organization's involvement in the impact?</li> <li>Identify the impact and where it occurs (i.e., primary business operations and/ or supply chain)</li> <li>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</li> </ul>	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?	Management Approach
Identify risk/s related to material topic of the organization	
Not applicable	Not Applicable
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

The Company's business is not highly dependent on the services or any key	The Company's By-Laws on compensation provides that "Each director shall
personnel.	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's commitment to **Employee Training and Development** has a direct impact on **workforce competency, business growth, and operational efficiency**. By ensuring employees receive structured education and training, the organization strengthens its ability to meet **current and future business objectives**, improving overall productivity and innovation.

	TT •	MGHC	MRTC	MRTDEVCO	MONUMENTO
Disclosure	Units	Quantity			
Total training hours provided to employees					
a. Female employees	hours	110.5	2	8	Nil
b. Male employees	hours	110.5		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	Management Approach
organization's involvement in the impact?	
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	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)	
The impact occurs primarily within <b>primary business operations</b> , where employees across all levels enhance their skills, adapt to evolving industry trends, and contribute to <b>strategic business initiatives</b> . Additionally, training extends to the <b>supply chain</b> , ensuring that external partners and vendors align with the company's standards on professional development and operational excellence. From an <b>organizational involvement perspective</b> , the company is <b>directly responsible</b> for implementing employee training programs. By designing structured learning modules, leadership development tracks, and industry-specific workshops, the organization actively <b>shapes workforce capabilities</b> to support long-term sustainability. Furthermore, business relationships linked to external training providers, consultants, and industry experts <b>strengthen access to specialized knowledge</b> , reinforcing the company's commitment to skills enhancement.	<ul> <li>To sustain Employee Training and Development, the organization implements a structured strategy encompassing policies, commitments, workforce objectives, and dedicated resources.</li> <li>Policies and Commitments: The company enforces continuous learning policies to ensure employees receive equal access to training and professional development opportunities. It promotes career growth, skills enhancement, and leadership progression through structured learning pathways.</li> <li>Goals and Targets: Workforce development goals include:         <ul> <li>Annual training completion rates of 90% across all departments</li> <li>Leadership pipeline programs to ensure talent succession</li> <li>Industry-specific certification sponsorships for employee skill advancement</li> <li>Regulatory compliance training for adherence to labor laws</li> </ul> </li> </ul>
	<ul> <li>Responsibilities and Resources: The Human Resources and Learning &amp; Development (L&amp;D) Teams oversee training implementation, supported by department heads who identify critical workforce competencies. Resources include:         <ul> <li>Digital Learning Platforms for accessible training</li> <li>Onsite and External Training Programs led by industry experts</li> </ul> </li> </ul>

	<ul> <li>Professional Development Budgets for employee upskilling</li> <li>Grievance Mechanisms: Employees can raise concerns about</li> </ul>
	<ul> <li>Chick and the intervalue interv</li></ul>
	<ul> <li>Projects, Programs, and Initiatives:         <ul> <li>Career Growth Acceleration Program – Focused on upskilling and reskilling employees for emerging industry trends</li> <li>Leadership Development Pipeline – Cultivating future leaders through executive coaching and mentorship</li> <li>Technical Skill Certification Sponsorships – Offering financial support for employees pursuing industry-recognized certifications</li> <li>Compliance Training Modules – Ensuring alignment with labor laws, workplace ethics, and industry regulations</li> </ul> </li> </ul>
What are the Risk/s Identified? Identify risk/s related to material topic of the organization	Management Approach
	The organization's <b>management approach</b> to mitigating risks in Employee Training and Development is structured around proactive measures, strategic planning, and continuous improvement.

programs are designed to align with industry standards, ensuring compliance with labor laws and corporate governance regulations. Regular audits and assessments are conducted to monitor adherence, and employees receive continuous updates on evolving policies.Additionally, the company maintains monitoring and feedback mechanisms such as post-training evaluations, employee engagement surveys, and competency assessments to refine training strategies. By integrating these approaches, the organization ensures that workforce development remains aligned with business goals while mitigating potential operational risks.	skills gaps, requiring proactive upskilling initiatives to maintain workforce competency. Retention challenges arise when employees perceive limited career progression opportunities, potentially affecting engagement and turnover rates. Additionally, compliance risks linked to inadequate training on regulatory and ethical standards may expose the organization to potential liabilities. To mitigate these risks, the company implements targeted skill-building programs, integrates succession planning into talent development strategies, and enforces mandatory compliance training to ensure workforce alignment with regulatory requirements.	<ul> <li>compliance with labor laws and corporate governance regulations.</li> <li>Regular audits and assessments are conducted to monitor adherence, and employees receive continuous updates on evolving policies.</li> <li>Additionally, the company maintains monitoring and feedback mechanisms such as post-training evaluations, employee engagement surveys, and competency assessments to refine training strategies. By integrating these approaches, the organization ensures that workforce development remains aligned with business goals while mitigating potential operational risks.</li> </ul>
What are the Opportunity/ies Identified?       Management Approach         Identify the opportunity/ies related to material topic of the organization       Identify the opportunity/ies related to material topic of the organization		Management Approach

Investing in continuous learning fosters a culture of innovation, positioning the organization as an industry leader in workforce development. Strengthening career development programs enhances employee engagement and retention, contributing to organizational stability. Moreover, by leading specialized training initiatives, the company elevates its competitive advantage and reinforces its brand reputation. To maximize these opportunities, the organization offers certifications and structured courses, encourages peer-to-peer knowledge sharing, and collaborates with external experts to stay ahead of emerging trends. Through rigorous monitoring, evaluation, and performance tracking, the company ensures that training initiatives yield measurable outcomes, driving sustainable workforce growth and long-term organizational success. The organization's **management approach** to maximizing opportunities in Employee Training and Development is built on a strategic framework that fosters innovation, strengthens employee engagement, and enhances organizational competitiveness.

To cultivate a **culture of innovation**, the company integrates continuous learning into its core business strategy by providing structured training programs, specialized certifications, and exposure to emerging industry trends. Employees are encouraged to engage in professional development through mentorship initiatives, leadership training, and collaborative learning platforms. By fostering knowledge-sharing across teams, the organization ensures that innovative ideas are generated and applied effectively.

To strengthen employee engagement and retention, career development programs are designed to offer clear growth pathways, skillbuilding opportunities, and structured succession planning. Employees are empowered through leadership training, internal mobility programs, and mentorship initiatives, reducing turnover risks while improving job satisfaction. By prioritizing training as an integral part of professional growth, the company secures long-term workforce stability.

To elevate **competitive advantage and industry leadership**, the organization proactively leads specialized training initiatives. Collaborations with external experts, academic institutions, and professional certification bodies ensure access to cutting-edge knowledge and best practices. Employees receive opportunities to earn industry-recognized credentials, enhancing both individual capabilities and organizational credibility.

Through rigorous monitoring, evaluation, and performance	
tracking, training effectiveness is continually assessed using key	
performance indicators such as competency development, completion	
rates, and post-training performance metrics. Feedback mechanisms, such	
as employee satisfaction surveys and skill assessments, ensure that training	
programs remain relevant, impactful, and aligned with business objectives.	

#### Labor

Our company operates without a formalized labor organization or collective bargaining agreement (CBA). The workforce is not structured under a recognized labor group, and there is no existing framework for unionized negotiations. While employee welfare and workplace concerns are addressed through direct communication channels, there is no structured management approach tied to labor group representation or collective bargaining mechanisms. The company maintains an open dialogue with employees to ensure operational efficiency and workplace harmony outside a unionized framework.

Disclosure	Units	MGHC	MRTC	MRTDEVCO	MONUMENTO
Disclosure	Units	Quantity			
% of employees covered with Collective Bargaining	0/0	nil	nil	nil	n/a
Agreements	70	1111	1111	1111	11/ a
Number of consultations conducted with employees	#	nil	nil	nil	n/a
concerning employee-related policies	++	1111	1111	1111	n/a
What is the impact and where does it occur? What is the		Management Approach			
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)		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 absence of a labor organization or collective bargaining agreement impacts workforce relations, decision-making processes, and employee engagement. The most significant effects occur in **primary business operations**, where direct employer-employee interactions shape workplace policies and employment conditions. Without formalized labor representation, negotiations related to wages, benefits, and working conditions are handled through **individual agreements** and companywide policies rather than through union-led collective bargaining.

From an **organizational involvement perspective**, this structure is directly caused by the company, as it has chosen not to establish a formal labor group or union negotiations. The organization maintains **direct communication channels** for workforce concerns, ensuring that employee engagement remains active despite the absence of union representation. Business relationships, such as supplier agreements, remain unaffected, as external labor groups do not play a role in internal company workforce structuring. Since the company does not operate within a collective bargaining framework, there is no structured management approach related to union negotiations or labor organization policies. However, employee concerns and workforce issues are still addressed through alternative mechanisms:

- **Policies and Commitments:** The company upholds fair employment practices, ensuring compliance with labor laws while facilitating **direct engagement** between employees and management.
- Goals and Targets: Instead of union-negotiated targets, the organization sets internal benchmarks for employee satisfaction, retention, and workplace development.
- **Responsibilities and Resources:** The **Human Resources department** oversees employee relations, managing workforce concerns through structured communication protocols and grievance resolution channels.
- Grievance Mechanisms: Employees are encouraged to utilize open-door policies, anonymous feedback platforms, and direct reporting procedures to raise concerns, ensuring workplace disputes are addressed effectively.
- Programs and Initiatives: The organization invests in employee engagement programs, leadership development, and workplace wellness initiatives to support employee well-being outside of formal union representation.

While the company does not follow collective bargaining processes, it remains committed to transparent workforce engagement, fair labor

	practices, and continuous employee development through structured internal policies
What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
<ul> <li>Operating without a formalized labor organization or collective bargaining agreement (CBA) presents certain risks related to workforce relations, engagement, and regulatory compliance. The absence of union representation may impact collective employee advocacy, structured negotiation processes, and long-term labor policy alignment.</li> <li><b>1.</b> Employee Representation Risks Without a recognized labor group, employees rely on direct communication with management for concerns related to wages, benefits, and working conditions. While this allows flexibility, it may also limit formalized bargaining power, potentially affecting job security perceptions and workplace satisfaction.</li> <li><b>2.</b> Workplace Dispute Resolution Risks The absence of a union framework may lead to challenges in dispute resolution, as employees lack formalized collective bargaining procedures. This could result in inconsistencies in grievance handling or delays in addressing workplace representation. Operating without a union may pose challenges in fully aligning with evolving labor regulations, particularly in industries with strict collective bargaining expectations.</li> </ul>	The company ensures <b>regular employee engagement</b> through structured feedback mechanisms, open-door policies, and direct reporting channels to maintain transparency in workplace policies and compensation decisions. A structured <b>grievance resolution process</b> is in place, allowing employees to escalate concerns through HR-led procedures, anonymous feedback platforms, and direct management discussions. The organization maintains strict <b>adherence to labor laws</b> , ensuring compliance through proactive legal audits, HR policy reviews, and external consultation to mitigate risks related to workforce regulations.
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

One key opportunity lies in <b>enhanced communication and</b> <b>responsiveness</b> . The absence of a labor group allows for <b>direct</b> <b>employer-employee engagement</b> , ensuring that concerns and workplace adjustments are handled without formal negotiation delays. This flexibility supports a <b>proactive approach to employee development</b> , <b>compensation planning</b> , and workplace improvements based on real- time feedback.	While no formal labor representation exists, the company maintains <b>structured workforce policies</b> to sustain employee satisfaction and operational integrity. These include <b>direct</b> <b>communication channels, continuous feedback mechanisms,</b> <b>structured employee engagement programs, and leadership</b> <b>development initiatives</b> . HR-led workforce assessments ensure that training, benefits, and professional development align with employee expectations while preserving business continuity.
Additionally, the company benefits from greater operational efficiency, as workforce-related policies can be refined through internal assessments rather than external bargaining. This ensures that employee benefits, career growth initiatives, and workplace enhancements are aligned directly with business priorities, optimizing resource allocation and talent development.	

## 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).

The organization's commitment to **Diversity and Equal Opportunity** ensures an inclusive workplace that recognizes and supports **vulnerable sectors**, including elderly employees. The impact primarily occurs within **primary business operations**, where the MGHC Group employs a significant number of older workers. By integrating them into the workforce, the company fosters economic participation, workplace stability, and industry expertise retention.

	TL: 4	MGHC	MRTC	MRTDEVCO	MONUMENTO	
Disclosure	Units		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)		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 through its business relationship)		several policies, co • Policies a	ommitments, and and Commitmer	ortunity, the organi workforce develop nts: The company o	oment strategies: enforces <b>anti-</b>	
From an <b>organizational involvement perspective</b> , this impact is <b>directly</b> <b>caused by the company</b> , as its employment policies actively include older workers in various roles. By offering equal opportunities to aging employees, the company contributes to social sustainability while maintaining workforce diversity. Furthermore, its partnerships with suppliers and external stakeholders may reflect similar commitments to inclusive hiring practices.		<ul> <li>that preverative advancem</li> <li>Goals and a workfor groups, in profession</li> <li>Responsi Compliant ensuring for older of Grievance system al to report version</li> </ul>	nt age-related bia ent. d Targets: The of ce representation cluding elderly er hal roles. bilities and Res nee Teams overs air access to train employees. e Mechanisms: lows employees,	is in employment an organization aims to on benchmark that nployees, remain en ources: The Hum see equitable emplo- ing, career progress A structured com- especially those in v- ns related to equal	o maintain t ensures diverse age ngaged in <b>an Resources and</b> yment practices, sion, and benefits <b>plaint resolution</b> rulnerable sectors,	

	<ul> <li>Programs and Initiatives:         <ul> <li>Workforce Inclusion Program – Dedicated to hiring and supporting vulnerable employees, ensuring workplace adjustments accommodate their needs.</li> <li>Age-Inclusive Training – Provides continuous skills development opportunities, ensuring elderly employees remain competitive in evolving industries.</li> <li>Wellness and Accessibility Initiatives – Focused on employee health, ergonomic workplace adjustments, and flexible work arrangements to support aging employees.</li> </ul> </li> </ul>
What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
The inclusion of <b>elderly employees</b> in the workforce presents certain risks related to workplace adaptability, health and safety, and long-term career sustainability. While diversity in age groups enhances organizational experience and mentorship, it also requires adjustments to ensure an equitable and supportive work environment.	The organization addresses this risk through <b>continuous skill</b> <b>development</b> , offering specialized <b>training programs</b> tailored to older workers to ensure competency in technological advancements. <b>Mentorship initiatives</b> also help bridge generational knowledge gaps, fostering collaboration between younger and older employees.
1. Workplace Adaptability Risks Elderly employees may face challenges in adapting to new technologies and evolving business processes. Without structured training, gaps in digital proficiency or modern workflow integration could affect efficiency.	The company implements <b>workplace wellness programs</b> , including <b>ergonomic assessments</b> , flexible work arrangements, and <b>health monitoring initiatives</b> to ensure the well-being of elderly employees. Workplace safety protocols are adjusted to accommodate aging workforce needs.
2. Health and Safety Risks Aging employees may require additional workplace accommodations due to health- related concerns, including mobility limitations or chronic conditions. The risk of occupational injuries may increase without proper ergonomic adjustments.	The organization provides <b>retirement planning support</b> , including <b>financial literacy workshops</b> and structured <b>succession</b> <b>planning</b> initiatives to ensure smooth workforce transitions. Personalized career consultations help employees make informed decisions regarding their career longevity.

3. Career Sustainability and Retirement Planning Risks Older employees may face concerns regarding long-term career stability, retirement benefits, and succession planning, which could impact motivation and engagement. Without structured transition programs, uncertainties regarding post-retirement financial security may arise.	
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	
<ul> <li>The inclusion of elderly employees within the MGHC Group presents several strategic opportunities that enhance workforce diversity, operational stability, and industry expertise retention. By embracing an age-inclusive workforce, the organization fosters knowledge transfer, strengthens workplace engagement, and reinforces its commitment to social responsibility.</li> <li>One significant opportunity is leveraging the expertise of senior employees to serve as mentors for younger staff. Their years of experience provide valuable institutional knowledge, improving decision-making processes and workforce competency. This contributes to organizational stability and leadership development by creating a structured mentorship program that facilitates the transfer of skills, best practices, and industry insights.</li> <li>From an operational perspective, retaining experienced employees mitigates risks associated with knowledge loss and workforce transition challenges. Instead of relying solely on external hiring, the company benefits from an established talent pool that ensures continuity in critical business functions. To maximize this opportunity, structured skills</li> </ul>	<ul> <li>To harness these opportunities, the organization implements the following strategies:</li> <li>Mentorship and Leadership Development Programs – Formal initiatives where senior employees guide younger professionals, ensuring a smooth knowledge transfer process.</li> <li>Workforce Inclusion Advocacy – Internal policies that reinforce age diversity practices.</li> <li>Continuous Training and Skills Enhancement – Tailored learning modules designed for senior employees to support their engagement in modern workplace technologies.</li> <li>Flexible Work Arrangements – Adjusted schedules or hybrid work setups to accommodate older employees' needs while maintaining productivity.</li> </ul>

<b>development programs</b> can be introduced to keep senior employees updated on technological advancements and evolving industry trends.	

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

The consistent implementation of **health and safety protocols** within the Group's operations has a direct impact on employee well-being, regulatory compliance, and overall workplace efficiency. This impact occurs primarily within **business operations**, where workplace safety standards ensure employees are protected from occupational hazards.

The organization is **directly involved** in this impact by developing and enforcing safety protocols, training employees on occupational health standards, and maintaining compliance with labor regulations. The company's commitment to **workplace safety culture** ensures operational continuity and risk mitigation. Furthermore, through its relationships with suppliers and external partners, the company influences broader **safety practices** in affiliated business operations.

Disclosure	Units	MGHC	MRTC	MRTDEVCO	MONUMENTO
Disclosure		Quantity			
Safe Man-Hours	Man-hours	2496	2496	2496	2496
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 consistent implementation of <b>health and safety protocols</b> within the Group's operations has a direct impact on employee well-being, regulatory compliance, and overall workplace efficiency. This impact occurs primarily within <b>business operations</b> , where workplace safety standards ensure employees are protected from occupational hazards. The organization is <b>directly involved</b> in this impact by developing and enforcing safety protocols, training employees on occupational health standards, and maintaining compliance with labor regulations. The company's commitment to <b>workplace safety culture</b> ensures operational continuity and risk mitigation. Furthermore, through its relationships with suppliers and external partners, the company influences broader <b>safety practices</b> in affiliated business operations.	The Group is committed to maintaining workplace health and safety at the highest standards, ensuring employees have access to essential medical resources and preventive healthcare measures. To reinforce occupational health and safety, the organization has integrated <b>comprehensive health</b> <b>protocols</b> into its workforce policies, creating a structured approach to employee well-being. The company ensures <b>accessible healthcare coverage</b> through <b>existing</b> <b>health plan benefits</b> , which provide employees with necessary medical support. In addition, <b>emergency medicine kits</b> , equipped with essential medications, are readily available across workplaces to address urgent health concerns. A <b>dedicated company physician</b> is on-call to assess employee health conditions, provide immediate care, and facilitate referrals for further medical evaluation if required. To safeguard employee health, the company enforces mandatory <b>physician consultations</b> for sick leaves exceeding two days, requiring a <b>medical certificate or clearance before resumption of</b> <b>work</b> to ensure fitness for duty. This policy helps prevent workplace health risks while ensuring employees receive proper medical attention when needed. For preventive health measures, all <b>newly hired employees undergo</b> <b>pre-employment physical examinations</b> , ensuring workplace readiness and overall wellness upon onboarding. Additionally, <b>annual physical</b>

What are the Risk/s Identified?         Identify risk/s related to material topic of the organization	examinations are conducted for all regular employees, allowing for early detection of health concerns and promoting long-term well-being.         By implementing these strategies, the organization fosters a safe, healthy, and productive work environment where employees can perform optimally while receiving the necessary medical support.         Management Approach
<ul> <li>The Group's commitment to workplace conditions, labor standards, and occupational health and safety ensures employee well-being and regulatory compliance. However, certain risks are associated with maintaining these standards, requiring proactive management to mitigate potential challenges.</li> <li>1. Workplace Hazard Risks Despite strong safety protocols, employees may still face occupational hazards such as exposure to hazardous materials, ergonomic risks, or workplace accidents.</li> <li>2. Employee Health and Wellness Risks Failure to proactively address employee health needs may lead to workforce absenteeism, reduced productivity, and long-term health complications.</li> <li>3. Compliance and Legal Risks Non-compliance with occupational health and labor standards could result in legal penalties, reputational damage, and operational disruptions.</li> </ul>	The organization enforces strict safety training, routine hazard assessments, and emergency response protocols to ensure risk prevention and incident preparedness. The Group maintains comprehensive health plans, accessible company nurses, and emergency medical kits to ensure immediate healthcare support. Mandatory medical consultations for extended sick leave and annual physical examinations help monitor employee health conditions. The company ensures full compliance with labor laws and regulatory requirements through regular policy reviews, legal audits, and employee training programs focused on workplace health and human rights.
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

The consistent implementation of <b>health and safety protocols</b> within the Group's operations presents significant opportunities for <b>workforce well-being</b> , and operational efficiency. By prioritizing occupational health and safety, the organization strengthens employee retention, enhances productivity, and reinforces its reputation as a responsible employer. One key opportunity is the improvement of employee engagement and morale. A workplace that actively promotes health and safety fosters a culture of trust, where employees feel valued and protected. This leads to increased job satisfaction and overall workforce stability. To maximize this opportunity, the organization integrates wellness initiatives into its occupational health programs, ensuring employees have access to preventive care and health screenings. Additionally, a strong safety culture enhances operational efficiency by reducing workplace accidents and minimizing disruptions due to health-related absences. By maintaining rigorous safety protocols and continuously improving health policies, the organization ensures uninterrupted business operations and cost savings associated with reduced compensation claims or medical expenses.	<ul> <li>To further enhance workplace health and safety, the organization implements the following strategic initiatives:</li> <li>1. Workplace Wellness Programs – Prioritizing employee well-being through preventive healthcare, ergonomic assessments, and fitness initiatives.</li> <li>2. Safety Awareness Training – Conducting regular educational sessions to promote hazard prevention and safe workplace conduct.</li> <li>3. Occupational Health Compliance Reviews – Implementing continuous audits and assessments to maintain compliance with industry safety standards.</li> <li>4. Employee Assistance and Medical Support – Strengthening healthcare access through company-provided medical consultations, emergency response kits, and structured wellness programs.</li> <li>5. Industry Collaboration and Certifications – Aligning with regulatory bodies and participating in safety accreditation programs to reinforce the organization's reputation for workplace health leadership.</li> </ul>
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## Labor Laws and Human Rights

The organization maintains strict policies that explicitly **prohibit violations of labor laws and human rights**, including **harassment**, **bullying**, **discrimination**, **and unfair labor practices**. These policies ensure a **safe**, **inclusive**, **and legally compliant work environment**, reinforcing ethical workplace standards.

Disclosure	Units	MGHC	MRTC	MRTDEVCO	MONUMENTO
Disclosure	Units		Q	uantity	

No. of legal actions or employee grievances involvin forced or child labor	g n.a	none	none	None	none
Topic	Y/N		If yes, c	ite reference in th	e company policy
Forced labor	Ν				
Child labor	Ν				
Human Rights	Ν				
What is the impact and where does it occur? Wh	at is the organization's	Management	Approach	Approach	
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)			isms, and/or proje	and targets, responsibi. ects, programs, and ini.	
The organization is <b>directly responsible</b> for enforcing labor laws and human rights policies, actively shaping workplace culture and regulatory adherence. The company prevents violations through <b>strict policy implementation</b> , <b>employee training, and structured grievance resolution mechanisms</b> , ensuring ethical conduct across all levels of the organization.		e Grieva to con invest addres Projec	es and Commin mination, anti- ng compliance w and Targets: T blace harassmen ontinuous work onsibilities and ompliance Tea ng the implement yee protection p ince Mechanis fidential comp igation process s violations of la ets, Programs, a Mandatory W Training – Ec	with labor laws. The organization air <b>nt incidents</b> , <b>100%</b> <b>force education of</b> <b>Resources:</b> The <b>H</b> <b>ams</b> oversee workport tation of fair labor programs. <b>ms:</b> Employees har <b>blaint channels, str</b> <b>ses, and resolution</b> abor laws and huma <b>and Initiatives:</b> <b>Torkplace Ethics a</b>	fair labor policies, ms to achieve zero legal compliance, on ethical conduct. Human Resources lace integrity, policies and ve access ructured n mechanisms to an rights.

What are the Risk/s Identified?	<ul> <li>Anti-Harassment and Discrimination Policy Enforcement – Strict monitoring of workplace conduct and immediate corrective action on reported violations.</li> <li>Employee Welfare and Support Programs – Providing psychological, legal, and career assistance to employees affected by workplace concerns.</li> <li>Management Approach</li> </ul>
Identify risk/s related to material topic of the organization	Management Approach
<ul> <li>Ensuring compliance with labor laws and human rights is critical for maintaining workplace integrity and operational stability. However, several risks could arise without proper enforcement and monitoring.</li> <li><b>1. Workplace Harassment and Discrimination Risks</b> Failure to uphold strict policies against harassment, bullying, and discrimination may lead to employee dissatisfaction, reputational damage, and potential legal consequences. Without proactive intervention, workplace culture may suffer, affecting productivity and morale.</li> <li><b>2. Non-Compliance Risks with Labor Laws</b> Lapses in labor law adherence could result in legal liabilities, penalties, and regulatory scrutiny. Inconsistent enforcement of fair employment practices may impact workforce satisfaction and external perceptions.</li> <li><b>3. Employee Grievance and Conflict Resolution Risks</b> Without a structured grievance mechanism, employees may struggle to report concerns, leading to unresolved workplace disputes that could affect engagement and turnover.</li> </ul>	The organization implements strict anti-harassment and anti- discrimination policies, reinforced through mandatory workplace ethics training and confidential grievance mechanisms. Immediate corrective actions are taken upon identifying violations to ensure a safe and inclusive work environment. The company ensures full compliance with labor regulations through regular audits, policy reviews, and workforce education programs. A dedicated compliance team oversees adherence, ensuring business practices align with ethical labor standards. The organization provides accessible and anonymous reporting channels for employees to raise concerns. A formal investigation and resolution framework ensures timely responses to grievances, maintaining trust and transparency across the workforce.
What are the Opportunity/ies Identified?	Management Approach

Identify the opportunity/ies related to material topic of the organization	
One key opportunity is the <b>enhancement of workplace culture</b> , where employees feel secure, valued, and protected from discrimination or misconduct. A strong ethical framework fosters <b>higher employee retention</b> , <b>improved morale</b> , and increased productivity. To harness this, the organization invests in <b>workplace ethics training</b> and structured engagement programs that reinforce fair labor practices. Additionally, maintaining legal compliance and human rights safeguards ensures regulatory stability and risk mitigation, preventing financial penalties or reputational damage. Proactive labor law enforcement strengthens industry reputation, positioning the organization as a <b>responsible employer</b> that upholds ethical workforce management.	<ul> <li>To maximize these opportunities, the organization implements the following initiatives:</li> <li>Workplace Ethics and Labor Compliance Programs – Structured training to reinforce fair labor practices and legal adherence.</li> <li>Employee Engagement and Inclusion Initiatives – Encouraging diversity, equal opportunity, and transparent workforce communication.</li> <li>Regulatory Audit and Policy Reviews – Ensuring continuous improvement in labor compliance and workplace standards.</li> <li>Confidential Grievance and Conflict Resolution Mechanisms – Allowing employees to report concerns safely and ensuring fair resolution practices.</li> </ul>

# 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 anticorruption policy). Link: <u>Company Policies</u>

Торіс	Y/N	If yes, cite reference in the company policy
Environmental performance	Ν	
Forced labor	Ν	

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 involvement in the impact?	is the organization's	Management Approach		
Identify the impact and where it occurs (i.e., primary business op	erations and/ or supply chain)	4	poals and targets, responsibilities, resources, grievance mechanisms, d initiatives do you have to manage the material topic?	
Indicate involvement in the impact (i.e., caused by the organizati its business relationship)	on or linked to impacts through			
There are no expected purchases or selling of plant and significant equipment		The Company discloses its policies and practices—specifically those that address		
within the next 12 months as the Company is not engaged in any manufacturing		the selection procedures with regards to suppliers and contractors thru its Code		
business.		of Business Conduct and	ict 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?			Management Approach	
Identify the opportunity/ies related to material topic of the organ				
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.			through its holdings in Monumento Rail, to actively the train system extensions.	

## Relationship with Community

MGHC's Corporate Social Responsibility (CSR) initiatives encompass Green Outreach Programs trained on Environmental, Health and Educational prerogatives. These three aspects are core to life in our 21 st century and are thus germane to MGHC's historical corporate philosophy of keeping up with the times – particular when it comes to fulfilling MGHC's CSR mandate. What's more, MGHC has applied these initiatives geographically not merely within its immediate communities but even on a nationwide basis.

# Significant Impacts on Local Communities

In fulfilling MGHC's mandate to/for Corporate Social Responsibility (CSR) in the year 2024, here are three major sponsorships undertaken by MGHC this 2024.

- 1. P50k was donated to the Fashion Arts Autism Benefit, a project of Autism Hearts Foundation, which specifically assists challenged Autistic individuals who are financially disadvantaged, to cultivate their innate talents and become productive citizens to in order to earn a livelihood and support their respective families via paintings with commercial value. The benefit is a serious initiative that has thrice sent its best performers to New York to showcase their artwork.
- 2. P100k was likewise donated to the War Veterans Foundation (FILVETS), Inc., in support of spawning more medical outreach missions and nationwide livelihood skills training in close coordination with TESDA. This helps former military veterans to ease and adjust into civilian life with skills acquired via the foundation. Otherwise, they could be hard pressed to find decent employment upon leaving behind their fulfilled military duties.
- 3. P50K given to U.P. Vanguard, Inc., for the enhancement of the U.P. ROTC Program, a program which is intrinsically valuable in attracting cadets that presumably entices voluntary enlistment in the military. In the absence of a compulsory military draft, The ROTC program is needed to support possible recruitment into the military thatotherwise might be lackluster in enthusiasm to do so.

With the three preceding initiatives then, it goes without saying that MGHC goes beyond the proverbial "call of duty" in its widespread reach to fulfill its Corporate Social Responsibility (CSR) mandate and initiatives.

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	Management Approach
Identify risk/s related to material topic of the organization	
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?	Management Approach
Identify the opportunity/ies related to material topic of the organization 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	MGHC gained control over Metro Solar Power Solutions, Inc. (Metro Solar) effective August 23, 2023. The company previously acquired two subsidiaries: Metro Power
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	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 (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.

Its main line of business is the leasing out of about 160 commercial retail spaces and about 1,200 outdoor 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? W	What is the organization's	Management Approach
involvement in the impact?		
Identify the impact and where it occurs (i.e., primary business operations and/ or supply chain)		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)		
he Company is a holding company and has no direct business operations that		Not Applicable
entail direct interaction with customers.		

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?	Management Approach
Identify the opportunity/ies related to material topic of the organization	
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 the and/or projects, programs, and initiative		
Not Applicable	1	Not Applicable	
What are the Risk/s Identified?         Identify risk/s related to material topic of the organization	Manag	gement Approach	
Not Applicable	N	ot Applicable	
What are the Opportunity/ies Identified? Identify the opportunity/ies related to material topic of the organization	Manaş	gement 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	Management Approach
<b>involvement in the impact?</b> 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?	Management Approach
Identify risk/s related to material topic of the organization	
Not Applicable	Not Applicable
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	
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 second	ary 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)	or supply chain) What policies, commitments, goals and targets, responsibilities, resources, grievance mechanism and/or projects, programs, and initiatives do you have to manage the material topic?		
Not Applicable	1	Not Applicable	
What are the Risk/s Identified?	Manaş	gement Approach	
Identify risk/s related to material topic of the organization			
Not Applicable	Not Applicable		
What are the Opportunity/ies Identified?	Manaş	gement Approach	
Identify the opportunity/ies related to material topic of the organization			
Not Applicable	N	lot 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?	Management Approach
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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?
Since 2007, the Company's securities are not traded due to voluntary suspension to	Shareholders records are maintained by BDO Stock Transfer Agent.
allow the Company to re-align its business and explore new strategic directions.	
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	
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	Management Approach to
		Impact of Contribution	Negative Impact

The completely electrically-powered Metro Rail Transit Line 3 (MRT-3) along its 13-station route from North Triangle to Taft Avenue along EDSA achieved a remarkable milestone in 2024, serving 135,885,336 passengers—a 5.3% increase from the previous year's 129,030,158. This accomplishment underscrores MRT-3's dedication to providing efficient and reliable transportation for Metro Manila.	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 2024. The effectiveness of the line's maintenance program ensures consistent travel time of 30 minutes from North Avenue Station to Taft Avenue Station. The headway, or interval between trains, was also successfully maintained at 3.5 to 4 minutes during peak hours with 18 trains in operation. MRT-3 also proudly provided free rides to 938,412 passengers through various programs, including the Libreng Sakay program offered by the Office of the President on December 20. This day also recorded the highest single-day ridership, with 469,930 passengers	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 2024 was attributed to the continuous maintenance and operational improvements following the MRT-3 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.
	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 the line remained a trusted choice for passengers in Metro Manila.		

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



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#### 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 March 31, 2025
- 2. Commission identification number <u>9142</u> 3. BIR Tax Identification No <u>000-194-408-000</u>
- 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

- 7. Address of registrant's principal office Postal Code
- 8. <u>(02)8633-6248</u> 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

	Number of shares of common
	stock outstanding and amount
Title of each Class	of debt outstanding
Common stock - P 1 par value	2,750,000,000 shares

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

1604

- 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 Statements of Financial Position As of March 31, 2025 (With Comparative Figures as of Calendar Year Ended December 31, 2024)

	March 31 2025	December 31 2024
ASSETS		
Current Assets		
Cash	9,289,450	1,255,597
Non-trade and other receivables	52,125,594	71,006,165
Other current assets	7,149,505	5,164,573
Total current assets	68,564,549	77,426,335
Non-current Assets		
Due from related parties	892,803,244	892,803,244
Financial assets at fair value through OCI	3,061,052,149	3,060,780,971
Investment in Associates	31,901,063	20,245,057
Property, Plant & Equipment	45,165,662	44,769,668
Right-of-use-asset	330,632,133	333,565,466
Intangible asset, net	623,748	630,577
Deferred Tax Asset	3,996,071	3,996,071
Total non-current assets	4,366,174,070	4,356,791,054
TOTAL ASSETS	4,434,738,618	4,434,217,389
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES AND STOCKHOLDERS' EQUITY Current Liabilities		
Current Liabilities Accrued expense and other current liabilities	429,544,219	421,534,990
Current Liabilities Accrued expense and other current liabilities Mortgage payable	850,305	850 <i>,</i> 305
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion	850,305 190,941	850,305 243,941
Current Liabilities Accrued expense and other current liabilities Mortgage payable	850,305	850 <i>,</i> 305
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion	850,305 190,941	850,305 243,941
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities	850,305 190,941	850,305 243,941
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities	850,305 190,941 430,585,465	850,305 243,941 422,629,236
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Mortgage payable, net of current portion	850,305 190,941 430,585,465 611,868	850,305 243,941 422,629,236 611,868
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Mortgage payable, net of current portion Due to a stockholder	850,305 190,941 430,585,465 611,868 255,469,626	850,305 243,941 422,629,236 611,868 269,741,387
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Mortgage payable, net of current portion Due to a stockholder Due to other related parties	850,305 190,941 430,585,465 611,868 255,469,626 243,167,099	850,305 243,941 422,629,236 611,868 269,741,387 243,167,099
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Mortgage payable, net of current portion Due to a stockholder Due to other related parties Lease liability, net of current portion	850,305 190,941 430,585,465 611,868 255,469,626 243,167,099 13,185,388	850,305 243,941 422,629,236 611,868 269,741,387 243,167,099 13,185,388
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Nortgage payable, net of current portion Due to a stockholder Due to other related parties Lease liability, net of current portion Total non-current liabilities Total Liabilities	850,305 190,941 430,585,465 611,868 255,469,626 243,167,099 13,185,388 512,433,981	850,305 243,941 422,629,236 611,868 269,741,387 243,167,099 13,185,388 526,705,742
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Mortgage payable, net of current portion Due to a stockholder Due to other related parties Lease liability, net of current portion Total non-current liabilities Total Liabilities Stockholders' Equity	850,305 190,941 430,585,465 611,868 255,469,626 243,167,099 13,185,388 512,433,981 943,019,446	850,305 243,941 422,629,236 611,868 269,741,387 243,167,099 13,185,388 526,705,742 949,334,978
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Mortgage payable, net of current portion Due to a stockholder Due to other related parties Lease liability, net of current portion Total non-current liabilities Total Liabilities Stockholders' Equity Share Capital	850,305 190,941 430,585,465 611,868 255,469,626 243,167,099 13,185,388 512,433,981 943,019,446 2,748,553,181	850,305 243,941 422,629,236 611,868 269,741,387 243,167,099 13,185,388 526,705,742 949,334,978 2,748,553,181
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Mortgage payable, net of current portion Due to a stockholder Due to other related parties Lease liability, net of current portion Total non-current liabilities Total Liabilities Stockholders' Equity Share Capital Additional paid-in capital	850,305 190,941 430,585,465 611,868 255,469,626 243,167,099 13,185,388 512,433,981 943,019,446 2,748,553,181 589,120,804	850,305 243,941 422,629,236 611,868 269,741,387 243,167,099 13,185,388 526,705,742 949,334,978 2,748,553,181 589,120,804
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Mortgage payable, net of current portion Due to a stockholder Due to other related parties Lease liability, net of current portion Total non-current liabilities Total Liabilities Stockholders' Equity Share Capital Additional paid-in capital Deposit for future stock subscription	850,305 190,941 430,585,465 611,868 255,469,626 243,167,099 13,185,388 512,433,981 943,019,446 2,748,553,181 589,120,804 102,000,000	850,305 243,941 422,629,236 611,868 269,741,387 243,167,099 13,185,388 526,705,742 949,334,978 2,748,553,181 589,120,804 102,000,000
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Nortgage payable, net of current portion Due to a stockholder Due to other related parties Lease liability, net of current portion Total non-current liabilities Total Liabilities Stockholders' Equity Share Capital Additional paid-in capital Deposit for future stock subscription Fair value reserve	850,305 190,941 430,585,465 611,868 255,469,626 243,167,099 13,185,388 512,433,981 943,019,446 2,748,553,181 589,120,804 102,000,000 247,652	850,305 243,941 422,629,236 611,868 269,741,387 243,167,099 13,185,388 526,705,742 949,334,978 2,748,553,181 589,120,804 102,000,000 (23,527)
Current Liabilities Accrued expense and other current liabilities Mortgage payable Lease liability, current portion Total current liabilities Non-current Liabilities Mortgage payable, net of current portion Due to a stockholder Due to other related parties Lease liability, net of current portion Total non-current liabilities Total Liabilities Stockholders' Equity Share Capital Additional paid-in capital Deposit for future stock subscription	850,305 190,941 430,585,465 611,868 255,469,626 243,167,099 13,185,388 512,433,981 943,019,446 2,748,553,181 589,120,804 102,000,000	850,305 243,941 422,629,236 611,868 269,741,387 243,167,099 13,185,388 526,705,742 949,334,978 2,748,553,181 589,120,804 102,000,000

# Metro Global Holdings Corporation and Subsidiaries Consolidated Statements of Comprehensive Income For the Quarter Ended March 31, 2025 (With Comparative Figures for the First Quarter Ended March 31, 2024)

	For the three months e	nded March 31
	2025	2024
REVENUES		
Depot Royalty Income	7,806,605	8,098,550
Share in Net Profit of Associate	11,656,006	531,817
Interest Income	735,628	694,005
EXPENSES		
General & Administrative Expenses	(13,632,657)	(17,271,908)
Net Income ( Loss)	6,565,581	(7,947,534)
OTHER COMPREHENSIVE INCOME		
Fair value gain on financial assets at		
fair value through OCI	271,179	585,810
TOTAL COMPREHENSIVE INCOME (LOSS)	6,836,760	(7,361,724)

#### Metro Global Holdings Corporation Consolidated Statements of Income & Retained Earnings As of March 31, 2025 (With Comparative Figures for the Three Months Ended March 31, 2024)

		rch	
		2025	2024
Revenues			
Depot Royalty Fee	₽	7,806,605 ₽	8,098,550
Share in Net Profit of Associate		11,656,006	531,817
Interest Income		735,628	694,005
Expenses			
General & Administrative expenses		(13,632,657)	(17,271,908)
Net Income (Loss)		6,565,581	(7,947,534)
Retained Earnings at beginning of the quarter		45,231,953	53,379,271
Retained Earnings at end of the quarter	₽	51,797,534 ₽	45,431,737

#### \*\*Note: INCOME (LOSS) PER SHARE

The computation of income (loss) per share is as follows:

	Three Months ended March 31		
	2025	2024	
<ul><li>(a) Net Income(loss)</li><li>(b) Weighted average number of</li></ul>	6,565,581	(7,947,534)	
shares outstanding	2,750,000,000	2,750,000,000	
	0.0024	(0.0029)	

### Metro Global Holdngs Corporation Consolidated Statements of Changes in Equity As of March 31, 2025 (With Comparative Figures for the Three months Ended March 31, 2024)

	For the three months ended March 31		
	2025	2024	
Capital Stock	2,748,553,181	2,748,553,181	
Additional Paid In Capital	589,120,804	589,120,804	
Deposit for Future Stock Subscription	102,000,000	102,000,000	
Cumulative Changes in Fair Value of Available-for-Sale			
Financial Assets			
Balance at beginning of the year	(23,527)	(473,162)	
Other Comprehensive Income	271,179	585,810	
Balance at end of the period	247,652	112,648	
Retained Earnings			
Balance at beginning of year	45,231,953	53,379,271	
Net Income (Loss)	6,565,584	(7,947,534)	
Balance at end of the period	51,797,537	45,431,737	
	3,491,719,171	3,485,218,370	

#### Metro Global Holdings Corporation Consolidated Statements of Cash Flows As of March 31, 2025 (With Comparative Figures for the Three Months Ended March 31, 2024)

		Three Months Endeo	March 31	
		2025	2024	
Cash flows from operating activities				
Net Income(Loss) before income tax	₽	6,565,581 ₱	(7,947,534)	
Adjustments for:		, ,	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Decrease(Increase) in				
Receivables		18,880,571	15,536,585	
Other current assets		(1,984,932)	(519,156)	
Due from related parties		-	(357,272)	
Intangible assets, net		6,829	6,829	
Investment in Associates		(11,656,006)	(531,817)	
Right-of-use asset		2,933,333	2,933,333	
Property and Equipment		(395,994)	(968,193)	
Deferred Tax Asset		-	187,441	
Increase(Decrease) in				
Accrued expenses and other current liabilities		8,009,229	4,720,630	
Lease liability, current portion		(53,000)	(55,265)	
Net cash generated from operating activities		22,305,614	13,005,581	
Cash Flow from Financing Activities				
Increase(Decrease) in				
Due to stockholders		(14,271,761)	(14,569,250)	
Due to related parties		-	1,578,999	
Net cash used in financing activities		(14,271,761)	(12,990,251)	
Net Increase (Decrease) in Cash		8,033,853	15,330	
Cash at beginning of the year		1,255,597	12,780,533	
Cash at End of the Period	₽	9,289,450 ₱	12,795,862	

# Metro Global Holdngs Corporation Aging of Receivables For the Quarter Ended March 31, 2025

RECEIVABLES FROM	Less than 1 Year	1-3 years	3-5 years	Total
NTDCC	5,841,068			5,841,068
TOTAL	5,841,068	-	-	5,841,068

#### 1. Summary of Material Accounting Policies

#### **Basis of Preparation**

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- Philippine Accounting Standards (PAS), and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, 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 Accounting Standards 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 'Critical accounting estimates, assumptions and judgments'.

#### **Changes in Accounting Policies and Disclosures**

(a) New standards – applicable January 1, 2024

There are no new standards, amendments and interpretations which are effective for the financial year on or after January 1, 2024 that are relevant to and have a material impact on the Group's consolidated financial statements.

(b) New and amended standard not yet adopted by the Group

Certain standards, amendments or interpretations had been issued but were not mandatory for annual reporting periods ended December 31, 2024 have not been early adopted by the Group. The following standard was assessed by management to be relevant and will have a material impact in the future reporting periods:

• PFRS 18, Presentation and Disclosure in Financial Statements

This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of total comprehensive income.

The key new concepts introduced in PFRS 18 relate to:

- the structure of the statement comprehensive income with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of total comprehensive income

- required disclosure in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregate and disaggregation which apply to the primary financial statements and notes in general

The Group expects to adopt this standard beginning January 1, 2027 and will update the consolidated financial statements accordingly to comply with the new standards.

#### **Financial assets**

#### <u>Classification</u>

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. These are strategic investments, and the Group considers this classification to be more relevant.

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, non-trade and other receivables, and due from related parties.

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

#### **Recognition and subsequent measurement**

The Group recognizes a financial asset in the consolidated statements 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.

#### Subsequent measurement of equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### <u>Impairment</u>

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 non-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.

#### 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 statements 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), mortgage payable, lease liability, 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 consolidated statements of total comprehensive income.

# **Determination of fair value**

The fair value of financial and non-financial liabilities takes into account nonperformance 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 March 31, 2025, December 31, 2024 and December 31, 2023, approximate their fair values due to their short-term maturities.

The carrying value of due from related parties, due to a stockholder and due to other related parties approximates their fair value, 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 noncontrolling 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 March 31, 2025, December 31, 2024 and 2023 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.

#### Non-trade and other receivables

Non-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, such as advances, are recognized initially at fair value and subsequently measured at amortized cost using effective interest method, less any provision for impairment.

Non-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), creditable withholding taxes, prepaid taxes and advances. These are stated at face value less provision for impairment, if any.

Input VAT, prepaid taxes 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 equal or exceed 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.

#### Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and impairment in value, if any. Land is stated at cost less any impairment in value. The initial cost of property and equipment comprise its purchase price, including import duties and non-refundable purchase taxes and other directly attributable cost of bringing the property and equipment to its working condition and location for its intended use.

Depreciation is computed on the straight-line method over the following estimated useful life of the property and equipment:

	In years
Transportation equipment	5
Office equipment	3-5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### 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.

# **Deposit for future stock subscription**

Deposit for future stock subscriptions refer to the amount of money or property received by the Company with the purpose of applying the same as payment for future issuance of stocks which may or may not materialize. Deposit for future stock subscriptions cannot be considered as part of the capital stock of the Company until shares of stocks are actually issued in consideration thereof.

On May 11, 2017, SEC issued an amendment on SEC Bulletin No. 6 (issued in 2012) for the treatment of the deposit for future stock subscriptions. As stated, an entity shall classify a contract to deliver its own equity instruments under equity as deposit for future stock subscriptions if and only if, all of the following elements are present as of the end of the period:

- The unissued authorized capital of the entity is insufficient to cover the amounts of shares indicated in the contract;
- There is BOD approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase in authorized capital stock; and

• The application for the approval of the increase in capital stock has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as part of liability. The amount of deposit for future stock subscriptions will be reclassified to equity account when the Company meets the foregoing elements.

# **Right-of-use asset**

Where the company is the lessee

a) Measurement of lease liabilities

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e., term, currency and security).

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

#### b) Measurement of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

#### c) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

#### d) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### 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 income

Revenue is recognized on a time-proportion basis using the effective interest method.

# Cost and expense recognition

Costs and expenses in the consolidated statements 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.

Management did not recognize any liability in respect of the defined benefit retirement plan as management assessed this to be immaterial as at March 31, 2025 and December 31, 2024.

# (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.

# **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.

# 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 has 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.

# Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

**Determination of Functional Currency**. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The functional currency is the currency of the primary economic environment in which the Company operates.

**Determination of Fair Value of Financial Assets and Financial Liabilities**. Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

The fair value of financial assets amounted to ₱4.02 billion as at March 31, 2025 and ₱4.03 billion as at December 31, 2024. The fair value of financial liabilities amounted ₱911 million as at March 31, 2025 and ₱949 million as at December 31, 2024.

**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 March 31, 2025 and December 31, 2024 as there was no significant and prolonged decline in value. The carrying value of quoted equity securities amounted to ₱2.8 million and ₱2.5 million as at March 31, 2025 and December 31, 2024, 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, 2024 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.

Notwithstanding the sale of future share distributions pursuant to "Sale of future share distributions", the Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTHII. Further, the Company holds a sell 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".

# <u>Critical accounting estimate and judgment - Measurement of unquoted equity</u> <u>instruments - cost as an estimate of fair value</u>

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 March 31, 2025 and December 31, 2024 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.

As at March 31, 2025 and December 31, 2024, the Group has assessed that the cost of investments in MRTHI and MRTHII represents the best estimate of fair value of those investments. The Group assessed that the carrying amount of the investments in MRTHI and MRTHII are recoverable and can be realized in the future through the Group's realization of the residual interest in the MRT business and share in benefits arising from the various proposals submitted to the DOTR regarding MRT3 extension and capacity expansion projects to be undertaken by MRTC. In view of the absence of observable market transactions or comparable market data surrounding the realization of residual interest in the MRT business and the outcome of outstanding proposals with the DOTR, a

reliable point estimate of the fair value of the investments in MRTHI and MRTHII cannot be established. Similarly, with the uncertainties associated with the approval status of the MRT<sub>3</sub> projects and dependency on government decisions resulting in a wide range of potential valuation outcomes, the cost represents the best estimate of fair value within that range.

Based on these factors, management assessed that the cost of the investments represents the best estimate of the fair value of the investments as at reporting date.

The Group's unquoted financial assets, pertaining to investments in MRTHI and MRTHII, are under Level 3 fair value category. The higher the cost of investments, the higher is the related fair value.

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.

#### 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 16). 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.

# **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**

# <u>Financial Assets</u>

Details of the Group's financial assets as at March 31, 2025 and December 31, 2024 as follows:

	2025	2024
At amortized cost		
Cash in banks	9,289,450	1,255,597
Non-Trade and		
other receivables	55,125,594	71,006,165
Due from related		
parties	898,118,179	898,118,179
	959,533,223	970,379,941
At FVOCI		
Unquoted equity		
securities	3,058,238,916	3,058,238,916
Quoted equity		
securities	2,813,233	2,542,055
	3,061,052,149	3,060,780,971
	4,020,585,372	4,031,160,912

Non-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 March 31, 2025 and December 31, 2024 amounted to P5,314,935.

#### Financial liabilities

Details of the Group's financial liabilities, at amortized cost, as at March 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Advances from MPIC	350,000,000	350,000,000
Accrued expenses	47,749,031	70,864,264
Mortgage payable	1,462,173	1,462,173
Lease liability	13,376,329	13,429,329
Due to a stockholder	255,469,626	269,741,387
Due to other related		
parties	243,167,099	243,167,099
	911,224,258	948,664,252

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.

# <u>Liquidity Risk</u>

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 March 31, 2025 and December 31, 2024:

	Within 12	More than 12	Total
	Months	months	
2025			
Advances from MPIC			
	350,000,000	-	350,000,000
Accrued expenses	47,749,031	-	47,749,031
Mortgage payable	850,305	611,868	1,462,173
Future interest on			
mortgage payable	96,004	-	96,004
Lease liability, gross			
of discount	58,309	26,047,000	26,105,309
Due to a stockholder	-	255,469,626	255,469,626
Due to related			
parties	-	243,167,099	243,167,099
	398,753,649	525,295,593	924,049,242
2024			
Advances from MPIC			
	350,000,000	-	350,000,000
Accrued expenses	70,864,264	-	70,864,264
Mortgage payable	850,305	611,868	1,462,173
Future interest on			
mortgage payable	99,531	21,356	120,887
Lease liability, gross			
of discount	58,309	26,100,000	26,158,309
Due to a stockholder	-	269,741,387	269,741,387
Due to related			
parties	-	243,167,099	243,167,099
	421,872,409	539,641,710	961,514,119

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.

	Gross carrying amount	Allowance provided	Net carrying amount	Internal credit rating	Basis of recognition of ECL
2025					
Cash in banks	9,243,249	-	9,243,249	Performing	12-month ECL
Trade and other receivables					
Group 1	52,125,594	-	52,125,594	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
	959,487,022	(5,314,935)	954,172,087		
2024					
Cash in banks	1,209,396	-	1,209,396	Performing	12-month ECL
Non-trade and other receivables					
Group 1	71,066,165	-	71,066,165	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
	970,393,740	(5,314,935)	965,078,805		

The Group has the following financial assets as at March 31, 2025 and December 31, 2024, where the expected credit loss model has been applied:

Credit quality of customers are classified as follows:

 $\bullet$  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, 2024 and 2023. The Group does not hold any collateral as security to the above financial assets.

No impairment loss was recognized as at March 31, 2025.

# 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 exposure. 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:

	March 31, 2025	December 31, 2024
Equity		
Share capital	2,748,553,181	2,748,553,181
Additional paid-in capital Deposit for future stock	589,120,804	589,120,804
subscription	102,000,000	102,000,000
Retained earnings	51,797,534	45,231,953
	3,491,471,519	3,484,905,938
Debt		
Due to a stockholder	255,469,626	269,741,387
Due to related parties	243,167,099	243,167,099
	498,636,725	512,908,486
	3,990,108,244	3,997,814,424

The Group continuously conducts an internal review its capital and financial risk management objective and policies.

# 3. Other Information

With regards to debt and equity securities, there were no issuances and/or repurchases incurred in the first quarter ended, March 31, 2025.

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, 2024.

As of December 31, 2024 up to this quarter period reporting (March 31, 2025), 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 MRTHI. 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 Parent Company anticipates receiving its 28.47% share of the 5% the lease rental income from Trinoma Mall, referred to as "Depot Royalty Income," following the redemption of its preferred shares in Monument Rail. This revenue will be allocated to fund its operating expenses and partially repay its debts to FEMI.

The Parent Company foresees a potential need for substantial funding due to the finalization and completion of the transactions related to the acquisition of FEMI's equity interest of in Metro Solar. Metro Solar's primary project is the development of the 65-megawatt solar farm project in Pililia, Rizal, with construction expected to begin within the same timeframe. To finance this project, the Parent Company intends to secure the necessary funds to through private placements and the eventual resumption of trading of its shares on 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 major plant and equipment within the next 12 months as the Parent Company is not engaged in any manufacturing activities.

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 P7.8 million in March 2025, P33.1 million in 2024 and P44.6 million in 2023.

The Group posted net operating income of P6.6 million as at March 2025 and loss of P8.1 million in 2024.

The Group's Retained earnings posted an increase of P6.6 million in March 2025, in view of the P6.6 million net income recognized by the Group.

The Group continues to recognize a Stockholders Equity balance of P3.49 billion in March 2025. This had increased compared to the December 31, 2024 balance of P3.48 billion.

#### **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 P400.0 million into equity shares of the Parent Company at a par value of P1.00 per share. In view of the increase in the balance of liabilities to FEMI, the amount to be converted into equity was increased to P600.0 million as approved by the BOD on April 18, 2011. The liability amount for conversion was further increased to P800.0 million and subsequently approved by the BOD on April 12, 2012.

On December 16, 2013, the SEC approved the conversion of a portion of the 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.

On October 10, 2019, the Parent Company and FEMI executed a Deed of Assignment whereby FEMI assigns, transfers and conveys unto the Parent Company the advances in the aggregate amount of Five Hundred Million Pesos (₱500,000,000.00) as partial payments of the subscriptions to the new shares to be issued out of the increase in capital stock of the Parent Company.

On February 1, 2024, the SEC approved the portion of the subscription price to the extent of Five Hundred Million Pesos (\$500,000,000.00) as having been paid via offset against the Parent Company's advances from FEMI as part of the subscription to the increase in Authorized Capital Stock of the Parent Company from \$2 billion to \$5 billion.

#### 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 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 March 31, 2025 has not vet 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 March 31, 2025, December 31, 2024 and 2023, the Parent Company recognized its share in lease rental income from the Trinoma Mall, classified as depot royalty income in the financial statements, of P7,806,605, P33,062,546 and P44,664,516, respectively. This represents 28.47% of 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.

#### 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 (DOTr).**

On December 19, 2014, the Parent Company presented to the Department of Transportation (DOTr) 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, on February 27, 2023, MRTC adopted the proposal and submitted it to DOTr and the office of the President.

As at March 31, 2025, the foregoing proposals remain pending with DOTr and the Office of the President.

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

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. (MSPSI).

On October 10, 2019, the Parent Company and FEMI executed a Deed of Assignment whereby FEMI assigns, transfers and conveys unto the Parent

Company the advances in the aggregate amount of Five Hundred Million Pesos (P500,000,000.00) as partial payments of the subscriptions to the new shares to be issued out of the increase in capital stock of the Parent Company.

On August 23, 2023, the Parent Company and FEMI also executed a Deed of Assignment whereby FEMI absolutely and irrevocably assigns, transfers and conveys in favor of the Parent Company all of its rights, title, and interest over the Metro Solar shares, consisting of 250,000 common shares at par value of ₱100 per share, free from all liens and encumbrances of any nature. An independent appraiser determined that Metro Solar has an enterprise value of Three Hundred Fifty-Two Million Pesos (₱352,000,000.00) in its report issued on March 31, 2023. The Parent Company accepted the Metro Solar shares in full payment of the Two Hundred Fifty Million Pesos (₱250,000,000.00) subscription and the excess of One Hundred Two Million Pesos (₱102,000,000.00) shall be booked as a Deposit for Future Stock Subscription of FEMI to the new share issuances of the Parent Company in the future.

On February 1, 2024, the Securities and Exchange Commission approved the increase in the Capital Stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share. The SEC likewise approved the recognition of Five Hundred Million Pesos ( $P_{500,000,000,000,000}$ ) as partial payment of subscription, through offset against of the Parent Company's advances from FEMI, in connection with the increase in authorized capital stock of the Parent Company, from  $P_2$  billion to  $P_5$  billion.

On April 8, 2024, the Securities and Exchange Commission issued the Certificate of Approval of Valuation on the shares of stocks of Metro Solar in the amount of Two Hundred Fifty Million Pesos (₱250,000,000.00) which will be applied as payment for the issuance of additional 250,000,000 common shares at par value of ₱1.00 per share, which will come from the unissued portion of the present authorized capital stock of the Parent Company.

The transfer of the MSPSI shares to the Parent Company was completed on August 1, 2024, while the issuance of the 250,000,000 common shares to FEMI was consummated on July 15, 2024.

At the Annual Stockholder's Meeting held on October 12, 2023, the stockholders approved to further increase the authorized capital stock of the Company, from Five Billion Pesos (₱5,000,000,000.00) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (₱1.00) per share to Ten Billion Pesos (₱10,000,000,000) divided into Ten Billion (10,000,000,000) shares with a par value of One Peso (₱1.00) per share. The stockholders also approved the subscription of FEMI, to P1.25 billion, equivalent to 1.25 billion shares at ₱1.00 par value, which subscription is to be partially paid to the extent of ₱312,000,000.00 via offset of Parent Company's debt to FEMI in the amount of ₱186,000,000.00, the assignment of FEMI's deposit for future subscription in the amount of P102,000,000.00 and the amount of ₱24,000,000.00 to be paid in cash.

#### 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 (P3,000,000,000,000) 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 February 1, 2024, the Securities and Exchange Commission approved said amendment and issued the corresponding Certificate of Amended Articles of Incorporation allowing the Parent Company to invest in businesses engaged in the development of renewable energy through solar farms, wind farms, waste-toenergy and other energy projects.

#### 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.

#### <u>Acquisition of Metro Solar Power Solutions Inc. (MSPSI)</u>

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.

MSPSI 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. The shares issued by MSPSI to FEMI represent 100% of its total issued and outstanding capital stock of MSPSI. In accordance with the agreement between FEMI and the Parent Company, the consideration for the MSPSI shares was to be determined based on a third-party appraisal report and mutually agreed upon by both parties.

On March 31, 2023, an independent appraiser valued MSPSI at P352 million. Subsequently, on August 23, 2023, the Parent Company and FEMI executed a Deed of Assignment, whereby FEMI, owning 100% of the total issued and outstanding shares of MSPSI, absolutely and irrevocably assigned, transferred and conveyed in favor of the Parent Company all of the shareholder's rights, title and interest over the shares of MSPSI, consisting of 250,000 common shares at par value of P100 per share, free from all liens and encumbrances of any nature. The Parent Company accepted the MSPSI shares as full payment for FEMI's P250 million subscription to the Parent Company.

This transaction was submitted to the Securities and Exchange Commission (SEC) for Confirmation of Valuation of the MSPSI shares as consideration for FEMI's subscription of the FEMI to the Parent Company. On April 8, 2024, the SEC approved the valuation of 100% of the issued and outstanding MSPSI shares as full payment for FEMI's subscription of 250,000,000 common shares in the Parent Company.

The transfer of the MSPSI shares to the Parent Company was completed on August 1, 2024, while the issuance of the 250,000,000 common shares to FEMI was consummated on July 15, 2024.

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.

As of December 31, 2024, MGHC Royal, MRTSI and MSPSI have not yet commenced commercial operations.

The Parent Company, and its subsidiaries, MGHC Royal, MRTSI and MSPSI, (the "Group") do not expect to purchase or sell any equipment within the ensuing twelve (12) months.

MSPSI has a long-term lease agreement with a third party for the lease of a 91.31hectare property in Pililia, Rizal, which will be used as the site of its solar project facilities. The lease agreement will be in effect for 30 years, starting October 16, 2017.

MGHC, the Parent company, currently has twelve (12) employees.

MGHC Royal, MRTSI and MSPSI are not yet in commercial operation as of March 31, 2025. MSPSI has two (2) employees and MRTSI has one (1), while MGHC Royal has no employee as of March 31, 2025. The management of the three companies is currently being undertaken by the executive officers of MGHC.

Cash in bank increased increased by ₱8.0 million, or 640%, in view of the collection of receivables from NTDCC, pertaining to depot royalty income earned in 2024.

Receivables declined by ₱18.9 million, or 27%, on account of collection of receivables from Trinoma/NTDCC, amounting ₱25.1 million. This was partially offset by the ₱5.8 million accrual of depot royalty income earned during the first quarter of 2025.

Other current assets increased by ₱1.9 million, or 38%, mainly due to increase in Input VAT receivables.

Financial assets at fair value increased by ₱271 thousand due to upward adjustment in the market value of quoted equity shares.

Investments in associates increased by by ₱11.6 million, or 58%, representing the Group's 15.8% share in MRT Devco's net income of ₱74 million for the period.

Property, plant and equipment increased by ₱0.39 million or 1% due to construction costs incurred during the period on solar power project.

Right-of-use asset decreased by ₱2.9 million or 1% primarily due to amortization. This asset is related to the Parent Company's acquisition and control of Metro Solar.

Due to a stockholder decreased by ₱14.3 million or 5% following cash payments made by the Group to FEMI.

The Group's Stockholders Equity increased by 0.20% or ₱6.8 million, is mainly due to the Group's net income of ₱6.6 million realized during the first quarter of 2025.

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 1st 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 ₱2.8 million as at March 31, 2025 and ₱2.5 million as at December 31, 2024.

As at March 31, 2025 and December 31, 2024, 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 March 31, 2025 and December 31, 2024, there are no transfers among the fair value hierarchies.

A comparison of the fair values as of the date of the recent interim financial report and as of the date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods, as follows:

#### **Quoted Equity Securities**

The changes in market value of quoted equity securities that were presented as "Change in fair value of available-for-sale financial assets" in other comprehensive income amounted to  $P_{271}$  thousand gain in March 2025 and  $P_{449}$  thousand gain in December 2024.

Movement in AFS financial assets consists of:

March 2025 De	ecember 2024
₽2,565,582	₽2,565,582
(23, 527)	(473,162)
271,179	449,635
247,652	(23,527)
₽2,813,233	₽2,542,055
	₽2,565,582 (23,527) 271,179 247,652

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 determines as the shares are unquoted nor were there any expected future cash flows in view of the sale of future distributions entered into by the participated shareholders of MRTHI and MRTHII with TBS Kappitel Corporation Pte Ltd (TBS Kappitel) and that the investments, pursuant to the option agreement with FEMI will be used to settle the Parent Company's liability to FEMI. The carrying amount of unquoted investments amounted to ₱3.058 billion as at March 31, 2025 and December 31, 2024.

# **PART II – OTHER INFORMATION**

1) Reports on SEC Form 17-C

There was no 17-C submitted during the First Quarter ending March 31, 2025.

Financial Ratios	Formula	1st Quarter 2025	1st Quarter 2024
a) Current Ratio	Total Current Assets Total Current Liabilities	0.16	0.16
b) Solvency Ratio	Net Profit after Tax (or NPAT) + Depreciation and amortization Total Liabilities	0.02	n/a
c) Debt-to-Equity Ratio	Total Debt Total Stockholders' Equity	0.27	0.27
d) Asset to Equity Ratio	Total Assets Total Stockholders' Equity	1.27	1.27
e) Net Profit margin	NPAT Net Revenues	0.32	n/a
f) Return on asset	NPAT	0.002	n/a

Table A

	Average T	otal Asse	et		
g) Return on Equity	NPAT Average Equity	Total	Stockholders'	0.002	n/a

# 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/Chief Risk Officer

Date : May 9, 2025

Principal Financial/Accounting Officer/Controller:

Signature and Title \_\_\_\_\_

Ramon G. Jimenez Chief Finance Officer and Alternate Corporate Information Officer



# **COVER SHEET**

for

# AUDITED FINANCIAL STATEMENTS

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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, 2023
- 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 HOLDINGS CORPORATION
- 5. Pasig City, Philippines Province, Country or other jurisdiction of Incorporation or organization
   6. (SEC Use Only) Industry Classification Code
   Mezzanine Floor Renaissance Tower Address of Principal Office
   8. (632) 8633-6248 Issuer's Telephone Number, including area code
- 9. <u>FIL-ESTATE CORPORATION</u> 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	<b>2,000,000,000</b> (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, 2023
- 14. Document incorporated by reference: 2023 Audited Financial Statements

#### METRO GLOBAL HOLDINGS CORPORATION

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#### STATEMENT TO FINANCIAL STATEMENTS AND SUPPLEMENTARY

#### Item 1. Business

#### **Business Development**

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

In July 1996, the Board of Directors (BOD) and the stockholders of the Parent Company approved (a) the change in the company's primary purpose from oil exploration to that of a holding company authorized to engage in property and infrastructure development and the relegation of its erstwhile primary purpose to one of the company's secondary purposes, (b) the increase in the company's authorized capital stock from P300.0 million, divided into 30.0 billion shares with a par value of P0.01 per share, to P2 billion, divided into 2 billion shares with a par value of P1.00 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 successorin-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.

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.

In line with the new business directions the Parent Company intends to pursue, the Parent Company has entered into a Memorandum of Agreement on November 22, 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. (MSPSI), 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.

On February 1, 2024, the Securities and Exchange Commission approved the increase in the Authorized Capital Stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with a par value of P1 per share.

Likewise, on February 1, 2024, the Securities and Exchange Commission 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.

## 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 December 6, 2019)"

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, 2023, 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 **P**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 P1.00 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.

<u>Conversion of Liabilities to Equity</u>. On January 28, 2008, the BOD approved the conversion of a portion of the liabilities to FEMI amounting to about P400.0 million into equity shares of the Parent Company at a par value of P1.00 per share. In view of the increase in the balance of liabilities to FEMI, the amount to be converted into equity was increased to P600.0 million as approved by the BOD on April 18, 2011. The liability amount for conversion was further increased to P800.0 million and subsequently approved by the BOD on April 12, 2012.

On December 16, 2013, the SEC approved the conversion of a portion of the 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.

On October 10, 2019, the Parent Company and FEMI executed a Deed of Assignment whereby FEMI assigns, transfers and conveys unto the Parent Company the advances in the aggregate amount of Five Hundred Million Pesos ((₱500,000,000.00) as partial payments of the subscriptions to the new shares to be issued out of the increase in capital stock of the Parent Company.

**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.

<u>Cooperation Agreement</u>. 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.

<u>Redemption of Redeemable Preferred Shares in Monumento Rail.</u> 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, 2023, 2022 and 2021, the Parent Company recognized its share in lease rental income from the Trinoma Mall, classified as depot royalty income in the financial statements, of ₱44,664,516, ₱19,546,766 and ₱7,887,684, 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.

<u>Settlement Agreement.</u> 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.

<u>Proposal to Department of Transportation and Communications (DOTC).</u> 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, 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 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. (MSPSI).

On October 10, 2019, the Parent Company and FEMI executed a Deed of Assignment whereby FEMI assigns, transfers and conveys unto the Parent Company the advances in the aggregate amount of Five Hundred Million Pesos (₱500,000,000.00) as partial payments of the subscriptions to the new shares to be issued out of the increase in capital stock of the Parent Company.

On August 23, 2023, the Parent Company and FEMI also executed a Deed of Assignment whereby FEMI absolutely and irrevocably assigns, transfers and conveys in favor of the Parent Company all of its rights, title, and interest over the Metro Solar shares, consisting of 250,000 common shares at par value of ₱100 per share, free from all liens and encumbrances of any nature. An independent appraiser determined that Metro Solar has an enterprise value of Three Hundred Fifty-Two Million Pesos (₱352,000,000.00) in its report issued on March 31, 2023. The Parent Company accepted the Metro Solar shares in full payment of the Two Hundred Fifty Million Pesos (₱250,000,000.00) subscription and the excess of One Hundred Two Million Pesos (₱102,000,000.00) shall be booked as a Deposit for Future Stock Subscription of FEMI to the new share issuances of the Parent Company in the future.

At the Annual Stockholder's Meeting held on October 12, 2023, the stockholders approved to further increase the authorized capital stock of the Company, from Five Billion Pesos (₱5,000,000,000,000) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (₱1.00) per share to Ten Billion Pesos (₱10,000,000,000) divided into Ten Billion (10,000,000,000) shares with a par value of One Peso (₱1.00) per share. The stockholders also approved the subscription of FEMI, to P1.25 billion, equivalent to 1.25 billion shares at P1.00 par value, which subscription is to be partially paid to the extent of P312,000,000.00 via offset of Parent Company's debt to FEMI in the amount of P186,000,000.00, the assignment of FEMI's deposit for future subscription in the amount of P102,000,000.00 and the amount of P24,000,000.00 to be paid in cash.

Subsequently on February 1, 2024, the Securities and Exchange Commission approved the increase in the Capital Stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share.

Also on April 8, 2024, the Securities and Exchange Commission issued the Certificate of Approval of Valuation on the shares of stocks of Metro Solar in the amount of Two Hundred Fifty Million Pesos (₱250,000,000.00) which will be applied as payment for the issuance of additional 250,000,000 common shares at par value of ₱1.00 per share, which will come from the unissued portion of the present authorized capital stock of the Parent Company.

*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 ₱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 February 1, 2024, the Securities and Exchange Commission approved said amendment and issued the corresponding Certificate of Amended Articles of Incorporation allowing 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.

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. (MSPSI), a power company with an existing 65-megawatt solar farm project in Pililia, Rizal.

MSPSI 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 MSPSI to FEMI represent 100% of the entire issued and outstanding capital stock of MSPSI. As per agreement with FEMI, the consideration for MSPSI shares will be determined based on an appraisal report by a third-party and mutually agreed by FEMI and the Parent Company.

On March 31, 2023, an independent appraiser valued MSPSI at P352 million. Subsequently, on August 23, 2023, the Parent Company and FEMI entered into a Deed of Assignment whereby FEMI, owning 100% of the total issued and outstanding shares of MSPSI, absolutely and irrevocably assigned, transferred and conveyed in favor of the Parent Company all of the shareholder's rights, title and interest over the shares of MSPSI, consisting of 250,000 common shares at par value of P100 per share, free from all liens and encumbrances of any nature. The Parent Company accepted the MSPSI shares in full payment of the P250 million subscription made by FEMI. This transaction was submitted to the Securities and Exchange Commission (SEC) for Confirmation of Valuation on the value of 100% of the issued and outstanding MSPSI shares in payment for the subscription of the FEMI to 250,000,000 common shares of the Parent Company. The SEC issued its approval on the valuation of the 100% issued and outstanding MSPSI shares as payment for the 250,000,000 common shares of the Parent Company on 8 April 2024. The Parent Company is now in process of

transferring the MSPSI shares in the name of the Parent Company to complete the acquisition by the Parent Company of the MSPSI.

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, MRTSI and MSPSI were not yet in commercial operation as at December 31, 2023.

#### 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 eleven (11) employees as of December 31, 2023.

Its subsidiaries, MGHC Royal, MRTSI and Metro Solare, are still not yet in commercial operations as of December 31, 2023. Metro Solar has 2 employees as of December 31, 2023. The management of the three 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, 2023, 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, 2023 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, 2023, 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.

## Acquisition of Metro Solar Power Solutions Inc. (MSPSI)

In line with the new business directions the Parent Company intends to pursue, with the approval of the Board, the Parent Company entered into a Deed of Assignment on August 23, 2023 with FEMI whereby the Parent Company purchased the 250,000 shares of common stock of Metro Solar Power Solutions Inc. (MSPSI) held by FEMI. MSPSI 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 MSPSI to FEMI represented 100% of the entire issued and outstanding capital stock of MSPSI. As per agreement with FEMI, the consideration for MSPSI shares was to be determined based on an appraisal report by a third-party and mutually agreed by FEMI and the Parent Company.

On March 31, 2023, an independent appraiser valued MSPSI at P352 million. Subsequently, on August 23, 2023, the Parent Company and FEMI entered into a Deed of Assignment whereby FEMI, owning 100% of the total issued and outstanding shares of MSPSI, absolutely and irrevocably assigned, transferred and conveyed in favor of the Parent Company all of the shareholder's rights, title and interest over the shares of MSPSI, consisting of 250,000 common shares at par value of P100 per share,

free from all liens and encumbrances of any nature. The Parent Company accepted the MSPSI shares in full payment of the P250 million subscription made by FEMI.

The excess in consideration received by the Company upon acceptance of the MSPSI shares amounting to P102 million was agreed to be booked as deposit in future stock subscription of FEMI to the new share issuances of the Parent Company in the future. The shares that the Parent Company will issue to FEMI in exchange for the Metro Solar shares will come from the 3.0 billion increase in authorized capital stock of the Parent Company (which was subsequently approved by the SEC on February 1, 2024).

The above-mentioned Deed of Assignment whereby FEMI, owning 100% of the total issued and outstanding shares of MSPSI, absolutely and irrevocably assigned, transferred and conveyed in favor of the Parent Company all of the shareholder's rights, title and interest over the shares of MSPSI, consisting of 250,000 common shares at par value of P100 per share in payment for FEMI's subscription to 250,000,000 common shares of the Parent Company was submitted to the Securities and Exchange Commission (SEC) on 24 August 2023 for Confirmation of Valuation on the value of 100% of the issued and outstanding MSPSI shares in payment for the subscription of the FEMI to 250,000,000 common shares of the Parent Company.

In the interim, while awaiting for SEC's approval of the Parent Company's application for Confirmation on Valuation on the value of 100% of the issued and outstanding MSPSI shares in payment for the subscription of the FEMI to 250,000,000 common shares of the Parent Company, on February 1, 2024, the Securities and Exchange Commission approved the P3,000,000,000 increase in capital stock of the Parent Company such that the capital stock now stood at Five Billion Pesos (P5,000,000,000,000) divided into Five Billion (5,000,000,000,000,000) divided into Five Billion Pesos (P2,000,000,000,000) divided into Two Billion (2,000,000,000) Shares at par value of P1.00 per share from the previous Two Billion Pesos (P2,000,000,000,000) divided into Two Billion (2,000,000,000) Shares at par value of P1.00 per share. With the approval of this increase in capital stock, the Securities and Exchange Commission approved the payment on the P500,000,000.00 subscription of FEMI via assignment by FEMI to the Parent Company of advances in the amount of P500,000,000.00)

Subsequently, on April 8, 2024, the Securities and Exchange Commission approved the valuation of the 250,000 Metro Solar shares in the amount of P250,000,000.00 as payment by FEMI for the issuance by the Parent Company of 250,000,000 common shares at par value of P1.00 per share in favor of FEMI.

As of December 31, 2023, MGHC Royal, MRTSI and MSPSI were not yet in commercial operations.

The Parent Company, and its subsidiaries, MGHC Royal, MRTSI and MSPSI, (the "Group") do not expect to purchase or sell any equipment within the ensuing twelve (12) months.

MSPSI has a long-term lease agreement with a third party for the lease of a 91.31hectare property in Pililia, Rizal, which will be used as the site of its solar project facilities. The lease agreement will be in effect for 30 years, starting October 16, 2017.

## 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 2023.

## 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 2022, 2023 and 2024 could not be determined.

	202	4	20	)23	2	022
Quarter	High	Low	High	Low	High	Low
1 <sup>st</sup>	0.00	0.00	0.00	0.00	0.00	0.00
2 <sup>nd</sup>			0.00	0.00	0.00	0.00
3rd			0.00	0.00	0.00	0.00
4 <sup>th</sup>			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 December 31, 2023 the number of shareholders of record is 1,914 while common shares outstanding were 2,000,000,000 shares. The Parent Company's top 20 Stockholders as at 31 December 2023 are:

		Number of	% <b>of</b>
	Name of Stockholders	Shares	Ownership
1	Fil-Estate Management, Inc.	1,757,690,196	87.88%
2	PCD Nominee Corporation (Filipino)	100,447,633	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%
	The Holders of the Unexchanged San Jose Oil		
16	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 was subsequently approved by the SEC on February 1, 2024.

## 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 view of the finalization and completion of the transactions relating to the acquisition by the Parent Company of the equity interest of FEMI in MSPSI. MSPSI'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, 2023

## Financial position and results as at and for the year ended December 31, 2023

The Group's Net Income for the year ended December 31, 2023 amounted to ₱5,697,189. The current year registered an increase in Depot Royalty Income by 128.50% while Share in profit of Associates decreased by 68.55%. General and administrative expenses also increased by 37%.

Compared to the Net Income of ₱3,513,335 earned by the Group for the year ended, December 31, 2022, this year's net income increased by ₱2,183,854. The increase was mainly due to the significant increase in Depot royalty income and also due to the dividend income received by the Parent Company from its investment in quoted equity securities, amounting to ₱2,871,466. No similar dividend was received by the Parent Company, last year.

## **Depot Royalty Income**

For the year ended December 31, 2023, the Group's share in Depot Royalty Income increased by 128.50% or ₱25,117,750 from ₱19,546,766 as of December 31, 2022, to ₱44,664,516 as of December 31, 2023. The increase was mainly due to the increase in gross rental income of Trinoma Commercial Center and the ₱20.6 million additional depot royalty income received from NTDCC during the year, as compensation for the non-completion of the development of various lot pads located in North Avenue, Quezon City, as per Alternative Compliance Agreement entered into by and between the Parent Company, Global Estate Resorts Inc., and NTDCC, dated December 14, 2023.

## General and Administrative Expenses

The Group's General and Administrative expenses increased by ₱13,161,313 or 37%, from ₱35,571,235 in December 31, 2022 to ₱48,732,548 in December 31, 2023, largely due to SEC listing fee amounting ₱6,061,070 in relation to the increase in Authorized Capital Stock of the Parent Company from ₱2 billion to ₱5 billion. Also, the increase was brought by the general and administrative expenses of Metro Solar Power Solutions, Inc. amounting ₱2,925,647 as a result of the consolidation, starting this year.

## **Financial Condition**

The Group's financial condition remained steady for the year ended December 31, 2023. The Group's Total Assets increased by ₱435,721,713 or 10.90%, from ₱3,996,881,550 as at December 31, 2022 to ₱4,432,603,263 as at December 31, 2023. On the other hand, the Group's Total Liabilities decreased by ₱421,086,734 or 30.94%, from ₱1,361,109,903 as at December 31, 2022 to ₱940,023,169 as at December 31, 2023;

further, Stockholders Equity also increased by ₱856,808,447 or 32.51%, from ₱2,635,771,647 as at December 31, 2022 to ₱3,492,580,094 as at December 31, 2023.

## **Total Assets**

The ₱435,721,713 or 10.90% increase in the Group's Total Assets from ₱3,996,881,550 as at December 31, 2022 to ₱4,432,603,263 as at December 31, 2023, was mainly due to the recording of the Right-of-use Asset and Construction-in-Progress (under Property, and equipment), amounting ₱348,090,414 and ₱38,607,502, respectively, in relation to the acquisition of Metro Solar shares during the year.

The "Right-of-use asset" includes the value of the Solar Energy Service Contract, amounting to P341 million, which will pave the way for the creation of the Solar Power Project. The amount was based on the appraisal done by a third party contracted by the Parent Company.

There was an increase also of ₱45,494,990 or 245% in Trade and other Receivables mainly coming from the loan receivables of MSPSI from Solrev Energy, Inc. amounting ₱44,156,544.

## <u>Total Liabilities</u>

The decrease in the Group's Total Liabilities of ₱421,086,734 or 30.94% was mainly due to the decrease in Due to a Stockholder account.

Due to a Stockholder decreased by ₱434,793,480 or 61.92%, from ₱702,217,691 as of December 31, 2022 to ₱267,424,211 as of December 31, 2023, mainly due to the conversion of portion of the Group's liability to FEMI amounting ₱500,000,000 into deposit for future stock subscription.

## Stockholders' Equity

The increase in Stockholders' Equity of ₱856,808,447 or 32.51% was largely brought about by the recording of deposit for future stock subscription amounting ₱852,000,000 and the Net Income amounting ₱5,697,189.

## **KEY PERFORMANCE INDICATORS ("KPI")**

## LIQUIDITY RATIOS

	December 31, 2023	December 31, 2022
Current Ratio	0.194	0.053
Quick Ratio	0.183	0.049

*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 2023 compared to December 2022 mainly due to the significant increase in the current assets of the Group.

## LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2023	December 31, 2022
Debt to Total Assets	0.21	0.34
Equity to Total Assets	0.79	0.66
Debt to Equity	0.27	0.52
Asset to Equity	1.27	1.52

*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 and Debt to Equity ratios in December 2023 decreased significantly due to conversion of a liability to deposit for future stock subscription.

On the other hand, Equity to Total Assets ratio increased due also to conversion of a liability to deposit for future stock subscription.

Asset to Equity ratio decreased in 2023 as against 2022 mainly due to increase in Total Stockholders' Equity as a result of the conversion of a liability into deposit for future stock subscription.

#### **PROFITABILITY RATIOS**

	December 31, 2023	December 31, 2022
Return on Equity	0.0019	0.0013
Return on Assets	0.0014	0.0009
Earnings per Share	0.0029	0.0018

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 higher Net Income realized by the Group in December 2023.

#### Material Changes in the year ended December 31, 2023 Financial Statements

#### **Financial Position**

(Increase/decrease of 5% or more versus December 31, 2022 balances)

- 851% increase in Cash and cash equivalents was in view of the significant collection of the receivables from NTDCC during the year
- 245% 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 and the consolidation of MSPSI's loan receivables from Solrev Energy, Inc.
- 166% increase in Other Current Assets was mainly due to increase in creditable withholding tax (in relation to the increase in depot royalty income), input VAT and other advances
- 64% decrease in Investments in Associates was brought about by the decrease in the Group's share in the net equity earnings of MRTDC
- 100% increase in Property and equipment mainly pertains to the construction costs of Metro Solar's development of a 65-megawatt solar farm project in Pililia, Rizal

- 100% increase in Right-of-use asset and Lease liability pertains to the recognition of right-of-use asset and lease liabilities in connection with the acquisition by the Parent Company and the eventual control of MSPSI. (Please refer to Notes 10 and 11 of the Consolidated Financial Statements for more details.)
- 94% increase in Deferred Tax Asset was due to recording of additional deferred income taxes from payment of MCIT and recognition of tax benefit due to NOLCO
- 62% decrease in Due to a Stockholder was in view of the conversion of portion of FEMI advances into equity, which is recorded as part of Deposit for future Stock Subscription pending issuance of the actual share certificates to FEMI
- 5% decrease in Due to other related parties was due to offsetting of dividend income received from MRT Devco against the Parent company's liability to MRT Devco
- 100% increase was due to the recognition of Deposit for future stock subscription as a result of the conversion into equity of portion of liability to a stockholder, amounting to P500 million, and the assignment of MSPSI shares in by FEMI, valued at P352 million
- 214% decrease in Fair value reserve due to further decline in the fair value of quoted equity securities during the year
- 12% increase in Retained Earnings mainly due to the net income earned during the year

## **Results of Operation**

(Increase/decrease of 5% or more versus December 31, 2022 balances)

- 68% decrease in Share in Profit of Associates was in view of the decrease in the Parent Company's share in the net equity earnings of MRTDC for the year ended December 31, 2023
- 128% 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
- 37% increase in General and Administrative Expense was mainly due to listing fee paid to SEC in relation to the application for increase in the Parent Company's Authorized Capital Stock from ₱2 billion to ₱5 billion and the consolidation of Metro Solar's general and administrative expenses starting this year as a result of the acquisition of the Metro Solar shares
- 100% increase in Dividend income due to consolidation to dividends received from investment in quoted security. No similar dividend was received last year

- 100% increase Finance cost pertains to the interest expense portion on the movement of lease liabilities for the year ended December 31, 2023
- 7501% increase in Other Income mainly pertains to interest income on advances to third parties
- 100% increase in Income Tax Benefit pertains to NOLCO recognized by Metro Solar during the year
- 17% increase in fair value gain on financial assets at fair value thru OCI due to higher valuation of quoted securities this year as against last year

## 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.

## <u>Total Liabilities</u>

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.

	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

## LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

*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 P2,465,263,006 or 163%, from P1,515,548,660 as at December 31, 2020 to P3,980,811,666 as at December 31, 2021. The Group's Total Liabilities decreased by P150,273,764 or 10%, from P1,497,756,145 as at December 31, 2020 to P1,347,482,381 as at December 31, 2021; while its Stockholders Equity increased by P2,615,536,770 or 14700%, from P17,792,515 as at December 31, 2020 to P2,633,329,285 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.

## <u>Total Liabilities</u>

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

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

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

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

## Stockholders' Equity

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

## **KEY PERFORMANCE INDICATORS ("KPI")**

## LIQUIDITY RATIOS

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

Current Ratio (Current Assets/ Current Liabilities)

Liquidity Ratio measures a company's ability to pay short-term obligations

Quick Ratio (Cash and Cash Equivalents+ Current Trade Receivables/ Current Liabilities)

It measures a company's ability to meet its short-term obligations with its most liquid assets

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

## LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

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

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

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

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

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

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

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

## **PROFITABILITY RATIOS**

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

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

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

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

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

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

#### **Financial Position**

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

- 15% decrease in Trade and Other Receivables was mainly due to the decrease in the Parent Company's share in the Depot Royalty Income from Trinoma Mall
- 286% increase in Other Current Assets was mainly due to increase in input VAT
- 50442% increase in Due from Related Parties was mainly due to dividend receivables of the Parent Company from MRTHII
- 105% increase in Financial Assets at Fair Value through OCI, was in view of the application of the dividend income received by the Parent Company against its liability from sale of future share distributions, shown as a reduction of investment in MRTHII
- 128% increase in Investment in Associate was in view of the Parent Company's share in the net equity earnings of MRTDC for the year ended December 31, 2021
- 100% decrease in Income Tax Payable was in view of the Parent Company not recognizing any taxable income for the year ended December 31, 2021
- 5% decrease in Due to a Stockholder was due to various payments made by the Parent Company to FEMI during the year ended December 31, 2021
- 31% decrease in Due to Related Parties was in view of the offsetting of the Parent Company's liability to MRTHII against dividend receivables
- 31% increase in Cumulative Market adjustment was due to the increase in the market value of the Parent Company's quoted equity securities
- 102% increase in Retained Earnings was primarily due to dividend income received by the Parent Company from MRTHII

## **Results of Operation**

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

- 15% decrease in Depot Royalty Income was due to the decrease in the share in depot royalty income received by the Parent Company from Trinoma Mall
- 152% increase in General and Administrative Expense was mainly due to increase in salaries and wages of the Parent Company
- 100% increase in Dividend Income was in view of the dividends received by the Parent Company from MRTHII
- 28% increase in Share in Profit (Loss) of Associates was in view of the increase in the Parent Company's share in the net equity earnings of MRTDC for the year ended December 31, 2021

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

## Item 7. Financial Statements

Refer to the Audited Financial Statements of the Metro Global Holdings Corporation and its Subsidiaries as of December 31, 2023 and 2022, 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, 2023, as recommended by the Audit Committee to the Board of Directors and subsequently approved by the stockholders during the Annual Stockholders Meeting held on October 12, 2023, 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	Term	Years
	_		Position		Served
Robert John L. Sobrepeña	70	Filipino	Chairman of	28	1996 - 2024
			the Board		
Ferdinand T. Santos	74	Filipino	President	28	1996 – 2024
Noel M. Cariño	70	Filipino	Director	28	1996 - 2024
Rafael Perez de Tagle, Jr	69	Filipino	Director	24	2000 - 2024
Roberto S. Roco	71	Filipino	Director	20	2004 - 2024
Alice Odchigue-Bondoc	58	Filipino	Director	20	2004 - 2024
Francisco C. Gonzalez	80	Filipino	Director,	14	2010 - 2024
		-	Independent		
Jaime M. Cacho	68	Filipino	Director	6	2018 - 2024
Jose Wilfrido M. Suarez	74	Filipino	Director,	2	2022 - 2024
		_	Independent		

Gilbert Raymund T. Reyes	66	Filipino	Corporate	21	2003 - 2024
			Secretary		

**ROBERT JOHN L. SOBREPEÑA,** Filipino, age 70, 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 74, 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 70, 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 69, 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, 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 71, 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 58, 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 80, 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 68, 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 74, 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 (NDCPAAI) 2009-2022.

**GILBERT RAYMUND T. REYES,** Filipino, age 66, 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 2023 and 2022 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:**

				Bonu	Other Annual Compens	
	Name & Position	Year	Salary	S	ation	Total
	The CEO and four (4) most					
	highly compensated		13.4			
А	executive officers		Millio			13.4
		2023	n	-	-	Million
	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					
			0.39			
	All other officers and		Millio			0.39
В.	directors as group unnamed	2023	n	-	-	Million

					Other Annual	
	Name & Position	Year	Salary	Bonus	Compensation	Total
	The CEO and four (4) most					
	highly compensated					
	executive officers		14.9			14.9
А.		2022	Million	-	-	Million
	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					
	All other officers and		0.82			0.82
В.	directors as group unnamed	2022	Million	-	-	Million

					Other Annual	
	Name & Position	Year	Salary	Bonus	Compensation	Total
	The CEO and four (4) most highly compensated					
	executive officers		20.6			20.6
А.		2021	Million	-	-	Million
	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					
	All other officers and		1.11			1.11
В.	directors as group unnamed	2021	Million	-	-	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 13<sup>th</sup> month pay.

				Other Annual
Name	Position	Salary	Bonu	Compensation
			S	(Per Diem)
Robert John L. Sobrepeña	Chairman of the			Php30,000.00
	Board			
Atty. Ferdinand T. Santos	President			Php30,000.00
Noel M. Cariño	Director			Php20,000.00
Rafael Perez de Tagle	Director			Php30,000.00
Roberto S. Roco	Director			Php50,000.00
Jaime M. Cacho	Director			Php35,000.00
Francisco C. Gonzalez	Director,			Php40,000.00
	Independent			_
Jose Wilfrido M. Suarez	Director,			Php50,000.00
	Independent			
Atty. Alice O. Bondoc	Director, SVP for			Php30,000.00
	Good Governance,			
	Compliance Officer,			

	Assistant Corporate		
	Secretary		
Atty. Gilbert Raymund T.	Corporate Secretary		Php20,000.00
Reyes			
Group Compensation 2023		Php13.4	0
		M	
Group Compensation 2022		Php16.0	0
		M	
Group Compensation 2021		Php20.6	0
		M	

### **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, 2023, 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	Citizensh ip	No. of Shares Held	Percent
Common	<b>Fil-Estate</b> <b>Management, Inc.</b> Mezzanine Floor Renaissance Tower, Meralco Ave. Ortigas, Pasig City	Robert John L. Sobrepeña -Chairman	Filipino	1,759,750,194	87.98%
	PCD Nominee Corp. (Filipino) 37 <sup>th</sup> Floor Tower I The Enterprise Center, 6766 Ayala Avenue corner Paseo De Roxas Makati City	Ma. Theresa B. Ravalo - President and CEO	Filipino	100,447,633	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 100,447,633 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.

Ma. Theresa B. Ravalo is the President and CEO 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	Citizenshi p	Percent of Class
Common	Robert John L. Sobrepeña	241,000	Filipino	.012%
Common	Ferdinand T. Santos	1,000	Filipino	.000%
	Noel M. Cariño	1,506,500	Filipino	.075%
	Solita S. Alcantara	15,000	Filipino	.001%
	Gilbert Reyes	1,903,514	Filipino	.095%
	Jaime M. Čacho	1	Filipino	
	Alice Odchigue-Bondoc	1	Filipino	
	Roberto S. Roco	1	Filipino	
	Francisco C. Gonzales	1,000	Filipino	.000%
	Rafael Perez de Tagle Jr.	1,000	Filipino	.000%
	Jose Wilfrido M. Suarez	1	Filipino	
	Francisco C. Gonzales			
		1,000	Filipino	.000%
	TOTAL	3,669,018		.183%

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.

The shareholders of METRO GLOBAL HOLDINGS CORPORATION (MGH) approved in its Annual Meeting last 12 October 2023, the amendment of the Company's By-Laws to move from the 1st Thursday of March to last Thursday of July of each year.

The amendment is planned to be submitted to the Commission sometime next month, as the Company needed to wait for the approval of the Commission on the amendment of its Articles of its Incorporation increasing its AUTHORIZED CAPITAL STOCK before proceeding to filing of its amendment on its BY- LAWS. The Company received the Commission's approval of its Amended Articles of Incorporation last 5th Feb 2024.

With the receipt of the foregoing approval by the Commission, the Company will proceed to file for the Commission's approval its amendments on its By-Laws to reflect changes in its Annual Meeting date and other amendments to align provisions

in the Company's By-Laws with the provisions in the Revised Code of Corporate Governance.

The new annual meeting date per approval by the shareholders last 12 October 2023 is the last Thursday of July, which falls on 25 July 2024 (instead of 7 March 2024) this year.

2) 2023 Sustainability Report

#### 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. **February 22, 2024** 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** Exact name of issuer as specified in its charter
- 5. Metro Manila, Philippines Province, country or other jurisdiction of incorporation

6.		(SEC Use Only)
Ind	ustry Classifi	cation Code:

7. Mezzanine, Renaissance Towers, Meralco Ave., Pasig City 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 ClassNumber of Shares of Common Stock<br/>Outstanding and Amount of Debt Outstanding

**Common Shares** 

5,000,000,000 share

11. Indicate the item numbers reported herein:

ITEM 9 - OTHER EVENTS "Postponement of Annual Stockholders' Meeting"

#### 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

Date: February 22, 2024

Issuer

By: ALICE ODCHIGUE-BONDOC Assistant Corporate Secretary



#### METRO GLOBAL HOLDINGS CORP.

21 FEBRUARY 2024

MARKET AND SECURITIES REGULATION DEPARTMENT SECURITIES & EXCHANGE COMMISSION SEC HEADQUARTERS MAKATI AVENUE, MAKATI CITY PHILIPPINES

ATTENTION: ATTY. OLIVER LEONARDO Director

SUBJECT: POSTPONEMENT OF 2024 ANNUAL STOCKHOLDERS MEETING

Dear Sir:

Please be informed that as previously disclosed to the Securities and Exchange Commission, the shareholders of METRO GLOBAL HOLDINGS CORPORATION (MGH) approved in its Annual Meeting last 12 October 2023, the amendment of the Company's By-Laws to move from the 1st Thursday of March to last Thursday of July of each year.

The amendment is planned to be submitted to the Commission sometime next month, as the Company needed to wait for the approval of the Commission on the amendment of its Articles of its Incorporation increasing its AUTHORIZED CAPITAL STOCK before proceeding to filing of its amendment on its BY- LAWS. The Company received the Commission's approval of its Amended Articles of Incorporation last 5th Feb 2024.

With the receipt of the foregoing approval by the Commission, the Company will proceed to file for the Commission's approval its amendments on its By-Laws to reflect changes in its Annual Meeting date and other amendments to align provisions in the Company's By-Laws with the provisions in the Revised Code of Corporate Governance.

The new annual meeting date per approval by the shareholders last 12 October 2023 is the last Thursday of July, which falls on 25 July 2024 (instead of 7 March 2024) this year.

Kind regards,

TTY, ALICE BONDOC

Assistant Corporate Secretary

Mezzanine Floor, Renaissance Tower. Meralco Avenue, Barangay Ugong, Pasig City, Philippines Tel.: +63.2.633.6205; Tel Fax: +63.2.633.6248 Website: www.metroglobalholdings.com: Email: info@metroglobalholdings.com

SUBSCRIBED AND SWORN to before me this aMAND AfladdaOMGrGTT Ne her Integrated Bar of the Philippines ID 14624.

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Book No. 2

Series of 2024.

ATTY STATES R. ABUGAN Notry Pablic AFPE NO. 0444-22 Undi 12-31, 2024 IEP NO. 466023 Ten. 109, 2024 Stat Chapter Roy No. 38:90 Lincomo MCLE No. VII-00/02364 and 4/14/2025 773: 198,196,735,955 J. Th No. 5710,52 (2018)2024 Fra. 2+ 100 1 100, 251 51 6A, Mandang Mg, Ley Ley, No. 100,1239-523-21

#### SECRETARY'S CERTIFICATE

I, GILBERT RAYMUND T. REYES, Filipino, of legal age, with principal office at 5<sup>th</sup> Floor, SEDCCO I Building, Rada corner Legaspi Streets, Legaspi Village, Makati City, after having been sworn according to law, hereby depose and state that:

- I am the duly elected and qualified Corporate Secretary of Metro Global Holdings Corporation (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines with principal office address at Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City, and listed on the Philippine Stock Exchange ("PSE") since 4 May 1964.
- As Corporate Secretary, I have custody and access to the corporate records of the Corporation, including, but not limited to, the books and records of the transfer agent.
- Based on the records of the Corporation, on 12 October 2023, the shareholders of the Corporation approved during its Annual Meeting the amendment of the Corporation's By-Laws to amend the schedule of the annual meeting from the first Thursday of March to the last Thursday of July each year.
- 4. The Corporation is scheduled to submit next month its application for amendment of its By-Laws since the Corporation just received the Securities and Exchange Commission's approval of its application for amendment of its Articles of Incorporation increasing the Corporation's authorized capital stock.
- Pursuant to the new annual meeting date approved by the shareholders during the 12 October 2023 Annual Meeting, the annual meeting this year is scheduled on 25 July 2024 (last Thursday of July of 2024).

IN WITNESS WHEREOF, this Certificate was signed this 2 2 FEB 2024 at Makati City.

GILBERT RAYMUND T. REYES Corporate Secretary SUBSCRIBED AND SWORN to before me this 2 FEB 2024 Philippines, affiant exhibiting to me his Passport No. P8069137A valid until 23 July 2028. The affiant is personally known to the Notary Public.

12.B. S.W. Doc. No. [8] 38 Page No. T Book No. ADV DIT NC ŵ 10 Series of 2024. 49

899.60.19 SVC/MGH/Secretary's Certificate on Postponement of ASM 2024

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# METRO GLOBAL HOLDINGS CORP.

# 2023 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.
	<ul> <li>Metro Global Holdings Corporation has subsidiaries:</li> <li>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.</li> </ul>
	<ol> <li>Metro Renewable Transport Solutions, Inc. (Metro Transport) (99%) incorporated on October 23, 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.</li> <li>Metro Solar Power Solutions, Inc. (MSPSI) is a company registered with the SEC on September 28, 2016 established primarily to construct, erect, assemble, commission and maintain power-</li> </ol>

	generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution. On October 10, 2016, MSPSI's Board of Directors approved the amendment of its Articles of Incorporation changing the corporate name to Metro Solar Power Solutions, Inc. from Metro Solar Power Energy Ventures, Inc. The amendment was approved by the Securities and Exchange Commission on January 9, 2017.
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, 2023
Highest Ranking Person responsible for this report	Mr. Robert John L. Sobrepeña, Chief Executive Officer Mr. Ramon G. Jimenez, Chief Finance Officer Ms. Solta S. Alcantara, Chief Audit Executive

# 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) saw an influx in passengers for 2023, with a recorded count of 129,030,158 rides for the year. This figure is up by more than 30 percent from the total ridership of 98,330,683 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 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 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 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 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.

On February 1, 2024, the Securities and Exchange Commission 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.

MGHC Royal and MRTSI were not in commercial operation as at December 31, 2023.

#### MATERIALITY

The key findings of the materiality analysis are as follows:

The Company and its subsidiaries, MGHC Royal Holdings Corporation (MGHC Royal), Metro Renewable Transport Solutions, Inc. (MRTSI) and Metro Solar Power Solutions, Inc. (MSPSI) which is engaged in solar, wind and other renewable energy generation facilities subject to regulations which require compliance with environmental laws.

The Company has ten (10) employees as of December 31, 2023.

Its subsidiaries, MGHC Royal and Metro Rail Transport Inc. are both not yet in commercial operation and have no employees as of December 31, 2023. 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. MGH has until August 5, 2024 (six months from Feb 5, 2024, the date of SEC approval of a capital increase, issuing 750 million shares to Fil-Estate Management, Inc.) to comply with the minimum 10% public ownership requirement.

The Company plans to expand its primary purpose to include investments in businesses

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 52.5 megawatt solar farm project in Pililia, Rizal, the project is currently at the permitting stage. It will be developed in a single phase. The construction is likely to commence in 2024 and is expected to enter into commercial operation in 2025. 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 2023.

### 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, 2023 amounting to P44,664,516 (2022- P19,546,766; 2021 – P7,887,684) 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 ₱13.16 million or 27%, from ₱35,571,235 in December 31, ₱48,732,548 in December 31, 2023, largely due to IT expenses starting February 2022. 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 (2023)
Direct economic value generated (revenue)	PhP	44,664,516.00
Direct economic value distributed:		
a. General and Administrative Expenses	PhP	27,144,785.00
b. Employee wages and benefits	PhP	20,009,266.00
c. Payments to suppliers, other operating costs	PhP	16,946.00
d. Dividends given to stockholders and interest payments to loan providers	PhP	
e. Taxes given to government	PhP	1,528,832.00
f. Investments to community (e.g. donations, CSR)	PhP	32,719.00

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)	are affected? (e.g. employees, community,	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.	Estate Management, Inc. (FEM), the parent company of	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
<ul> <li>The most important type of risk the Group's manages are are liquidity risks and credit risks.</li> <li>1. Liquidity Risk arises from the possibility that the Group will encounter difficulty in raising funds to meet associated commitments with financial instruments.</li> </ul>	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. <b>Credit Risk.</b> The Company's exposure to <b>credit</b> <b>risk</b> 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	Banks	These cash in banks are deposited with a reputable bank that belonged to the top three banks in the Philippines and approved by management

amounts due to their short-term maturities. The Company's significant concentration of credit	Customer - NTDCC	Depot royalties are collected in accordance with the agreement and the Group's credit policy with no reported
risk is on its transactions with NTDCC, its sole customer.		defaults and write-offs in previous years. In addition, credit risk is minimized by monitoring receivables regularly.
3. <b>Capital Risk.</b> 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, deposit for future stock subscription, and retained earnings, as its capital.	FEMI	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.
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	Investors and	The Company coordinates and negotiates
investment and or cash infusions into the Company over	Shareholders	closely with its Parent Company to manage
the next five years.		cash flow risks.
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.		

# Climate-related risks and opportunities

GovernanceStrategyRisk ManagementMetrics and Targets
--

Disclose the organization's governance around climate-related risks and opportunities Recommended Disclosures a) Describe the board's	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 a) Describe the climate-related risks	Disclose how the organization identifies, assesses, and manages climate related risks a) Describe the	Disclose the metrics and targets used to assess and manage relevant climate- related risks and opportunities where such information is material Disclose the metrics used by
oversight of climate- related risks and opportunities	and opportunities the organization has identified over the short, medium and long term.	organization's processes for identifying and assessing climate- related risks	the organization to assess climate- related risks and opportunities in line with its strategy and risk management process.
directions of the Parent	the needed funds to finance this project through local and foreign investors. On February 1, 2024, the SEC approved the increase in the capital stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share. Subsequently, on April 8, 2024, the SEC approved the valuation of the 250,000 Metro Solar shares in the amount of P250 million as payment by FEMI for the issuance by the Parent Company of 250 million common shares at par	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.

creation of the Solar Power Project after the third-party appraisal of MSPSI. The valuation report dated March 31, 2023 was prepared by Santos Knight Frank, Inc. using the income approach as of December 31, 2022. Based on the valuation report, the value of the leasehold property is P341 million. The fair value adjustment is calculated as the present value of the rent savings when the contract rent at the time of the appraisal is less than the current market rent. During November 2023, the Parent Company has paid			
and completed the required			
filings with the SEC.	b) Describe the impact of climate	b) Describe the	b) Describe the targets used
b) Describe management's role in	b) Describe the impact of climate- related risks and opportunities on	b) Describe the organization's	b) Describe the targets used by the organization to
assessing and managing	the organization's businesses,	processes for	manage climate- related
climate- related risks and	strategy and financial planning	managing climate-	risks and opportunities and
opportunities		related risks	performance against targets
Board has a strategy	On December 13, 2021, MRTHII	The Vision and Mission	The comparative financial
execution process (i.e.,	declared dividends to its	are reviewed by the	Key Performance Indicators
Annual Planning) that	shareholders, of which	Board regularly to	(KPIs) and non-financial KPIs
facilitates effective	P2,606,190,497 pertains to the	ensure that corporate	are reviewed regularly.
management	Group's share which resulted to	business directors,	

performance and is attuned to the company's business environment, and culture.	positive net equity balance. 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.	strategies, and objectives are consistent and coherent with the Mission and Vision of the Company.	
	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 financialsector 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	N/A	%
used for significant locations of		
operations that is spent on local suppliers		
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 Applicable	There is no competition with respect to other train services. Instead, the MRT project complement other train systems and various public transportation modes

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.		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? 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
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	100	%
communicated to	100	/0

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 What are the Opportunity/ies Identified?	Not applicable Which stakeholders are affected?	Not applicable Management Approach

Identify the opportunity/ies related to		
material topic of the organization		
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?	Which stakeholders are affected?	Management Approach

Identify the opportunity/ies related to		
material topic of the organization		
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

<ul> <li>What is the impact and where does it occur? What is the organization's involvement in the impact?</li> <li>Identify the impact and where it occurs (i.e, primary business operations and/or supply chain)</li> <li>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</li> </ul>	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	Public commuters, community	Averting diesel consumption. Approximately 1,450 buses a day do not have to ply EDSA because of the MRT-3

diesel engines as busses have) that otherwise carry or have direct and intense emissions.	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.
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# 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	Which stakeholders are affected?	Management Approach
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	(e.g. employees, community, suppliers, government, vulnerable groups)	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?	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?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		
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		

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

Not Applicable	Not Applicable	Not Applicable
What are the Risk/s Identified?	lentified? 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?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		
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	N/A	
biodiversity value outside protected areas		
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 doe occur? What is the Organization's involvement in the impact?		Management Approach What policies, commitments, goals and
Identify the impact and where it of (i.e., primary business operations of supply chain)		
Indicate involvement in the impact caused by the organization or link impacts through its business relation	ked to	

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

Environmental impact management

### Air Emissions

### GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	N/A	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions	N/A	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	N/A	Tonnes

	What is the impact and where does it occur? What is the organization's	Which stakeholders are affected?	Management Approach
i       	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	(e.g. employees, community, suppliers, government, vulnerable groups)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?
	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

# <u>Air pollutants</u>

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

## <u>Solid Waste</u>

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?Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups)	Management Approach What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?
The company produces solid waste like used bond paper, used printer cartridges, used computer hardware, used telephones, etc. in its operations.	Employees, Suppliers	Recycle of used bond paper and refill of printer cartridges.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach

Identify risk/s related to material topic of the organization		
Pest infection of office premises.	Employees	Quarterly Pest Control program of the work place.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to		
material topic of the organization		

# 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.

# <u>Effluents</u>

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	Which stakeholders are affected?	Management Approach
involvement in the impact?	(e.g. employees, community, suppliers, government, vulnerable groups)	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 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
Disclosure	Units	Quantity			
a. Number of female employees	#	5	1	5	0
b. Number of male employees	#	5	0	12	0
Ratio of lowest paid employee against minimum wage	ratio	1:3	1:1.8	1:1.4	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%	none
Sick leaves	Y	100%	none
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	Ν	none	none

Telecommuting	Y	none	none
Flexible-working Hours	Y	none	none

# MRTC (MRTHI and MRTH II)

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	40%	25%
Parental leaves	Y	none	None
Vacation leaves	Ν	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	Ν	none	none
Telecommuting	Y	none	None
Flexible-working Hours	Y	none	None
(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	Ν	none None	
Telecommuting	Y	50% (during ECQ/MGCQ only) 50% (during ECQ/MGC	
Flexible-working Hours	Y	50% (during ECQ/MGCQ only) 50% (during ECQ/MGCG	
(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	Ν	n/a	n/a

Telecommuting	Y	n/a	n/a
Flexible-working Hours	Y	n/a	n/a
(Others)		n/a	n/a

	Management Approach
<ul> <li>What is the impact and where does it occur? What is the organization's involvement in the impact?</li> <li>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</li> <li>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</li> </ul>	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?	Management Approach
Identify risk/s related to material topic of the organization	
Not applicable	Not Applicable
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	
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.
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### 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.

		MGHC	MRTC	MRTDEVCO	MONUMENTO
Disclosure	Units		Q	vantity	
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?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	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)	

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?	Management Approach
Identify risk/s related to material topic of the organization	
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?	Management Approach
Identify the opportunity/ies related to material topic of the organization	
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	
Disclosure	Units	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?				
MGHC has ten (10) employees.		Executive officers seconded by MGHC from FEMI received salaries and wages starting September and October 2021.				
What are the Risk/s Identified? Identify risk/s related to material topic of the organization			Manageme	ent Approach		
In case unsure if action is not permitted by law or M		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			Manageme	ent Approach		
Not Applicable			Not Ap	oplicable		

### 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
Disclosure	Units		Q	uantity	
% 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)	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
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	
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
Disclosure	UTIIIS	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	]	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.	<ol> <li>The health of every employee shall be maintained at the highest levels:</li> <li>With existing health plan coverage,</li> <li>With emergency medicine kit complete with emergency medicines,</li> <li>With company nurse to address employees' health needs; assessment and, or referral of employee/s health condition in the workplace.</li> <li>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.</li> <li>Pre-employment physical examination of newly hired employees.</li> <li>Annual Physical examinations for all regular employees.</li> </ol>

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization	
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?	Management Approach
Identify the opportunity/ies related to material topic of the organization	
Data relating to health, safety and welfare of its employees.	<ol> <li>Annual vaccination program with Influenza virus is maintained</li> <li>Monthly purchase of first aid supplies.</li> <li>Maintenance of well-ventilated and nonhazardous workplace through daily inspection and maintenance of facilities/supplies.</li> <li>Quarterly Pest Control program of the work place.</li> </ol>

## 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
Торіс	Y/N				lf yes,	cite reference in policy	the company
Forced labor	N						
Child labor	N						
Human Rights	Ν						
What is the impact and where does it occur? What is the organization's involvement in the impact?		Manageme	ent Ap	proach			

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?	Management Approach
Identify risk/s related to material topic of the organization	
Not Applicable	Not Applicable
What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	
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: <u>Company Policies</u>

Торіс	Y/N		If yes, cite reference in the company policy
Environmental performance	Ν		
Forced labor	Ν	1	
Child labor	N	1	
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 organization's involvement in the impact? Identify the impact and where it occurs (i.e. operations and/or supply chain) Indicate involvement in the impact (i.e., can organization or linked to impacts through its There are no expected purchases or selling significant equipment within the next 12 mo is not engaged in any manufacturing busine	, primary business Used by the <u>business relationship)</u> of plant and nths as the Company	resources, grievance and initiatives do you The Company disclo those that address th suppliers and contra Ethics.	ach hitments, goals and targets, responsibilities, e mechanisms, and/or projects, programs, u have to manage the material topic? ses its policies and practices—specifically he selection procedures with regards to ctors thru its Code of Business Conduct and
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			Management Approach
organization			
The Parent Company has a 28.47% equity interest in Monumento			nues, through its holdings in Monumento Rail, participation in the train system extensions.

and Airport Link) and additional train/vehicle procurements in the
event the Philippine government awards the project to MRTC.

### **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 2023 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 2023.

#### 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	Location	Vulnerable	Does the	Collective or	Mitigating
(positive or negative) impacts		groups (if	particular	individual rights that	measures (if
on local communities		applicable)*	operation have	have been identified	negative) or
			impacts on	that or particular	enhancement

(exclude CSR projects; this has to be business operations)			indigenous people (Y/N)?	concern for the community	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	Management Approach
Identify risk/s related to material topic of the organization 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?	Management Approach
Identify the opportunity/ies related to material topic of the organization Future objectives in various parts of the country such as Baguio in Benguet province, the NCR, Pililla in Rizal province and lloilo 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 gained control over Metro Solar Power Solutions, Inc. (Metro Solar) effective August 23, 2023; 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. The company previously acquired two 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)	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)	
The Company is a holding company and has no direct business	Not Applicable
operations that entail direct interaction with customers.	
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?	Management Approach
Identify the opportunity/ies related to material topic of the organization	
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, commitment resources, grievance mech and initiatives do you have	anisms, and/or proj	iects, programs,
Not Applicable	No	t Applicable	
What are the Risk/s Identified? Identify risk/s related to material topic of the organization	Manag	ement Approach	
Not Applicable	No	t Applicable	
What are the Opportunity/ies Identified?	Manag	ement Approach	

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

### <u>Customer privacy</u>

\*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	#
operations and/or supply chain) resources, grievance mech		s, goals and targets, responsibilities, anisms, and/or projects, programs, to manage the material topic?	
Not Applicable	Noi	t Applicable	
What are the Risk/s Identified? Identify risk/s related to material topic of the organization	Manage	ement Approach	
		t Applicable	
What are the Opportunity/ies Identified?		ement Approach	

Identify the opportunity/ies related to material topic of the	
organization	
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?	Management Approac	h	
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)		es, grievance mecl	nanisms, and/or
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 Transfe Agent.		
What are the Risk/s Identified?	Manc	agement Approach	1
Identify risk/s related to material topic of the organization			
Not Applicable	۱	Not Applicable	
What are the Opportunity/ies Identified?	Manc	agement Approach	1
Identify the opportunity/ies related to material topic of the organization			
Not Applicable	Ν	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. The Metro Rail Transit-Line 3 (MRT- 3) saw an influx in passengers for 2023, with a recorded count of 129,030,158 rides for the year. This figure is up by more than 30 percent from the total ridership of 98,330,683 in 2022.	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 2023). 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 2023 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 <u>App 310 2024</u>.

By:

un Robert John Sobrepeña

Chairman of the Board/ Chief Executive Officer

Ramonia, Jir

Treasurer/VP

Ferdinand T. Santos

President/Chief Risk Officer

Alice O. Bondoc

Assistant Corporate Secretary/ VP-Good Governance Officer

Compliance

R

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_\_APH day of \_\_\_\_\_\_ affiant(s) exhibiting to me his/their Social Security System Number, as follows:

#### NAMES

SSS NO.

 Robert John L. Sobrepeña
 03

 Atty. Ferdinand T. Santos
 03

 Alice O. Bondoc
 33

 Ramon G. Jimenez
 03

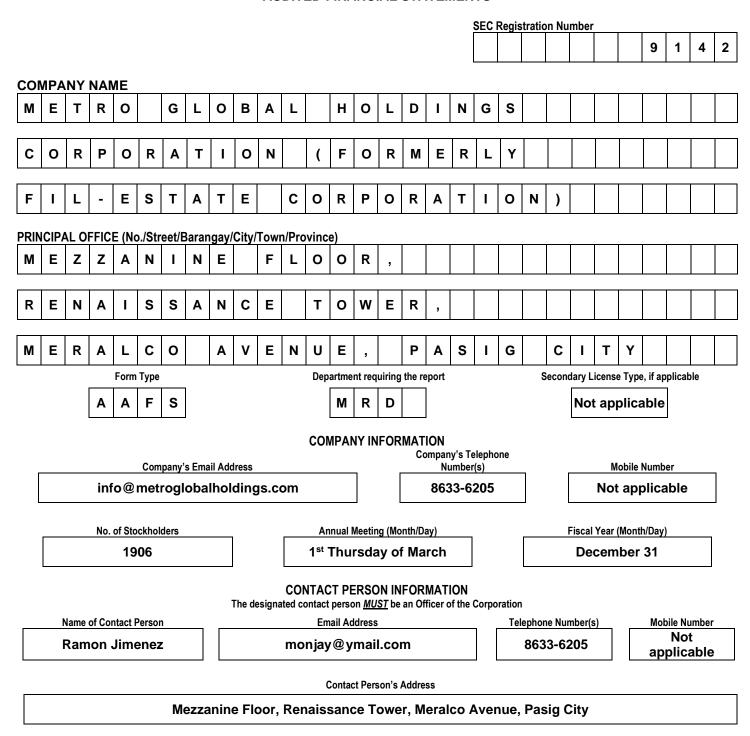
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### **COVER SHEET**

for AUDITED FINANCIAL STATEMENTS



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



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, 2023, 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

nand T. Santos at/Chief Risk Officer

Treasurer

#### ACKNOWLEDGEMENT

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 Atty. Ferdinand T. Santos Ramon G. Jimenez 03-6449007-1 03-2643588-3 03-6347637-1

Doc. No.: 102 ; / Page No.: 100 ; Book No.: 12 ; Series of 2024 CHRISTIAN H. SORITA Notary Public for Pasig & Pataros Flot Floor, Renelissance 1000 Tower D, Megdied Avenue, Pasig City 1805 Roll of Attorneys No. 52539 Appointment No. 5 (2024-2025) Commission Expires on December 31, 2025 PTR No. 1650851; 01-03-2024; Pasig City Lifetime IBP No. 010223; 10-17-2011; Pasig City MCLE Compliance No.VIII-0000183 issued on 16 August 2022



### **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

#### **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, 2023 and 2022, 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, 2023 and 2022;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2023;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2023;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2023; and
- the notes to the consolidated financial statements, including material accounting policy information.

#### **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.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines T: +63 (2) 8845 2728, www.pwc.com/ph



Independent Auditor's Report To the Board of Directors and Shareholders of Metro Global Holdings Corporation and Subsidiaries Page 2

#### **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.	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:
The Parent Company has investments in Metro Rail Transit Holdings I Inc. (MRTHI) and Metro Rail Transit Holdings II Inc. (MRTHI) 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.	• 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 equity securities of MRTHI and MRTHII are unquoted. 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' 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.	<ul> <li>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.</li> <li>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.</li> </ul>



#### 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 12, 2024, Makati City 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 30, 2024



# 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** Mezzanine Floor, Renaissance Centre, Meralco Avenue, Pasig City

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, 2023, on which we have rendered the attached report dated April 30, 2024. 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 the Revised 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 the Revised Rule 68 of the SRC.* 

Isla Lipana & Co.

Dennis M. Malco Partner CPA Cert. No. 126035 P.T.R. No. 0080034, issued on January 12, 2024, Makati City 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 30, 2024

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# 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** Mezzanine Floor, Renaissance Centre, Meralco Avenue, Pasig City

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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 30, 2024. 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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 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 12, 2024, Makati City 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

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# 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** Mezzanine Floor, Renaissance Centre, Meralco Avenue, Pasig City

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, 2023, on which we have rendered the attached report dated April 30, 2024.

In compliance with the Revised 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 twenty one (821) shareholders each owning one hundred (100) or more shares as at December 31, 2023.

Isla Lipana & Co.

Dennis M. Malco Partner CPA Cert. No. 126035 P.T.R. No. 0080034, issued on January 12, 2024, Makati City 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 30, 2024

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Consolidated Statements of Financial Position As at December 31, 2023 and 2022 (All amounts in Philippine Peso)

	Notes	2023	2022
Ass	sets		
Current assets			
Cash	2	12,780,533	1,343,801
Non-trade and other receivables	3	64,064,417	18,569,428
Other current assets	4	4,209,606	1,583,430
Total current assets		81,054,556	21,496,659
Non-current assets			
Due from related parties	3	892,803,244	892,803,244
Financial assets at fair value through OCI	5	3,060,331,336	3,061,220,078
Investment in associates	6	6,942,791	19,071,383
Property and equipment	7	39,612,914	
Right-of-use asset	10	348,090,414	
Intangible asset, net	8	657,894	682,935
Deferred tax asset	15	3,110,114	1,607,251
Total non-current assets		4,351,548,707	3,975,384,891
Total assets		4,432,603,263	3,996,881,550

Current liability			
Accrued expenses and other current liabilities	9	418,568,125	406,034,711
Lease liability, current portion	10	227,113	-
Total current liabilities		418,795,238	406,034,711
Non-current liabilities			
Due to a stockholder	16	267,424,211	702,217,691
Due to other related parties	16	240,357,562	252,857,501
Lease liability, net of current potion	10	13,446,158	-
Total non-current liabilities		521,227,931	955,075,192
Total liabilities		940,023,169	1,361,109,903
Stockholders' equity			
Share capital	11	1,998,553,181	1,998,553,181
Additional paid-in capital		589,120,804	589,120,804
Deposit for future stock subscription	11,16	852,000,000	-
Fair value reserve	5	(473,162)	415,580
Retained earnings		53,379,271	47,682,082
Total stockholders' equity		3,492,580,094	2,635,771,647
Total liabilities and stockholders' equity		4,432,603,263	3,996,881,550

# Consolidated Statements of Total Comprehensive Income For each of the three years in the period ended December 31, 2023 (All amounts in Philippine Peso)

	Notes	2023	2022	2021
Share in profit of associates	6	6,140,438	19,526,017	7,680,162
Depot royalty income	12	44,664,516	19,546,766	7,887,684
General and administrative expenses	13	(48,732,548)	(35,571,235)	(31,958,915)
Income (loss) from operations		2,072,406	3,501,548	(16,391,069)
Other income, net				
Dividend income	5	2,871,466	-	2,606,190,497
Finance cost	10	(327,832)	-	-
Other income, net	14	895,936	11,787	20,410,195
		3,439,570	11,787	2,626,600,692
Income before tax		5,511,976	3,513,335	2,610,209,623
Income tax benefit	15	185,213	-	4,971,938
Net income for the year		5,697,189	3,513,335	2,615,181,561
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	(888,742)	(1,070,973)	355,209
Total comprehensive income for the year		4,808,447	2,442,362	2,615,536,770
Basic and diluted earnings per share	17	0.0029	0.0018	1.3085

Consolidated Statements of Changes in Equity For each of the three years in the period ended December 31, 2023 (All amounts in Philippine Peso)

			Deposit for future	Fair value		
	Share capital	Additional paid-	stock subscription	reserve	Retained	
	(Note 11)	in capital	(Note 16)	(Note 5)	earnings	Total
Balances as at January 1, 2021	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	-	-	-	55,209	2,615,181,561	2,615,536,770
Balances as 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 (loss) 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
Transaction with owners						
Deposit for future stock subscription	-	-	852,000,000	-	-	852,000,000
Comprehensive income						
Profit for the year	-	-	-	-	5,697,189	5,697,189
Other comprehensive loss for the year	-	-	-	(888,742)	-	(888,742)
Total comprehensive income for the year	-	-	-	(888,742)	5,697,189	4,808,447
Balances at December 31, 2023	1,998,553,181	589,120,804	852,000,000	(473,162)	53,379,271	3,492,580,094

Consolidated Statements of Cash Flows For each of the three years in the period ended December 31, 2023 (All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Net income before tax		5,511,976	3,513,335	2,610,209,623
Adjustment for:				
Unrealized foreign exchange gain	14	(2,588)	(22,449)	(37,677)
Depreciation and amortization	7,8,13	4,972,452	27,317	27,317
Interest income	14	(893,348)	(666)	(4,069)
Finance cost	10	327,832	-	-
Dividend income	5,16	(2,871,466)	-	(2,606,190,497)
Share in net income of associates	6	(6,140,438)	(19,526,017)	(7,680,162)
Operating income (loss) before working capital				
changes		904,420	(16,008,480)	(3,675,465)
(Increase) decrease in:				
Non-trade and other receivables		(3,369,314)	(11,075,338)	1,368,919
Other current assets		(2,511,510)	(1,265,513)	(445,730)
Increase in:				
Accrued expense and other current liabilities		9,126,112	15,173,674	5,692,542
Net cash generated from (absorbed by) operations		4,149,708	(13,175,657)	2,940,266
Interest received	2	1,007	666	4,069
Income taxes paid		-	(23,744)	(1,072,892)
Net cash provided by (used in) operating activities		4,150,715	(13,198,735)	1,871,443
Cash flows from investing activities				
Acquisition of property and equipment		(6,348,590)	-	-
Dividends received	5	2,871,466	-	-
Cash received from acquisition	1	192,779	-	-
Net cash used in investing activities		(3,284,345)	-	-
Cash flows from financing activities				
Payment of principal portion of lease liabilities	10	(72,168)	-	-
Interest paid for lease liabilities	10	(327,832)	-	-
Advances from other related parties	16	5,769,091	17,368,999	35,873,631
Advances from (settlement of amounts due to) a				
stockholder		5,198,683	(4,793,116)	(37,822,513)
Net cash provided by (used in) financing activities		10,567,774	12,575,883	(1,948,882)
Net increase (decrease) in cash		11,434,144	(622,852)	(77,439)
Cash at January 1		1,343,801	1,944,204	1,983,966
Effect of foreign exchange rate changes in cash		2,588	22,449	37,677
Cash at December 31		12,780,533	1,343,801	1,944,204

#### Notes to Consolidated Financial Statement

As at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 (In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

#### 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. It 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 issued are held by the following shareholders as at December 31:

	2023	2022
Fil-estate Management, Inc. (FEMI)	87.98%	87.98%
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	1.49%	1.49%
	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 11 employees as at December 31, 2023 (2022 - 10).

# 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 February 1, 2024, the Securities and Exchange Commission 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.

# 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 29, 2024.

# 1.4 Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries, MGHC Royal Holdings Corporation (MGHC Royal), Metro Renewable Transport Solutions, Inc. (MRTSI) and Metro Solar Power Solutions, Inc. (MSPSI). 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.

		ership int		Country of	•••
	2023	ating sha 2022	are held 2021	incorporation	Main activity
MGHC Royal	99%	99%	99%	Philippines	MGHC Royal was organized and established on May 19, 2017 to engage in the business to invest or purchase, otherwise acquire, and own, hold, use, sell, assign, transfer, pledge, exchange, or otherwise dispose of real and personal property of every kind and description.
MRTSI	100%	100%	100%	Philippines	MRTSI 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.
MSPSI	100%	-	-	Philippines	MSPSI is a company registered with the SEC on September 28, 2016 established primarily to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.
					On October 10, 2016, MSPSI's Board of Directors approved the amendment of its Articles of Incorporation changing the corporate name to Metro Solar Power Solutions, Inc. from Metro Solar Power Energy Ventures, Inc. The amendment was approved by the Securities and Exchange Commission on January 9, 2017. Its registered address, which is also its principal place of business, is located at the Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City.

#### Acquisition of MSPSI

On September 24, 2018, the Board authorized the Parent Company to enter into a Memorandum of Agreement with FEMI whereby the Parent Company agreed to the subscription of FEMI to 750 million common shares of the capital stock of the Parent Company at par value of P1 per share to be issued out of the planned capital increase in the authorized capital stock of the Parent Company from P2 billion divided into 2 billion common shares with par value of P1 per share to P5 billion divided into 5 billion common shares with a par value of P1 per share resulting to a P3 billion increase in capital stock of the Parent Company.

Pursuant to the Memorandum of Agreement, the subscription price of P750 million was to be paid in the following manner:

- a) The amount of P500 million was to be paid by the assignment of FEMI's advances to the Parent Company amounting to P500 million (Note 16); and
- b) The amount of P250 million was to be paid in a manner to be agreed upon by FEMI and the Parent Company upon approval of the above-mentioned capital increase.

During the pendency of the Parent Company's application for increase in capital stock at the SEC, on August 23, 2023, the Parent Company and FEMI entered into a Deed of Assignment whereby the parties agreed that the balance of P250 million be paid by FEMI via assignment of FEMI to the Parent Company of FEMI's 100% shareholdings in MSPSI, with an enterprise value of P352 million as appraised by an independent third-party appraiser. As stipulated in the Deed of Assignment, FEMI absolutely and irrevocably assigned, transferred and conveyed in favor of the Parent Company all of FEMI's rights, title and interest to 100% of the issued and outstanding shares of MSPSI consisting of 250,000 common shares with par value of P100 per share in full payment of the remaining P250 million balance out of the P750 million subscription of FEMI. The excess in consideration received by the Parent Company upon acceptance of the MSPSI shares amounting to P102 million was agreed to be booked as deposit in future stock subscription of FEMI to the new share issuances of the Parent Company in the future.

As a result of the transactions above, the Parent Company has gained control over MSPSI effective August 23, 2023. Following the asset acquisition requirement under PFRS 3, the Group has made provisional amounts in the purchase price allocation to account for the estimated fair value of the acquired identifiable assets and liabilities.

The following table summarizes the provisional fair values of the major classes of assets acquired and liabilities assumed at the acquisition date:

Cash	192,779
Advances to third party	41,233,335
Property and equipment	33,326,835
Right-of-use asset	352,975,314
Other assets	1,432,316
Lease liabilities	(13,745,439)
Due to related party	(60,007,837)
Other liabilities	(3,407,303)
Net identifiable assets acquired	352,000,000

Right-of-use asset includes the value of the Solar Energy Service Contract which will pave the way for the creation of the Solar Power Project after the third-party appraisal of MSPSI. The valuation report dated March 31, 2023 was prepared by Santos Knight Frank, Inc. using the income approach as of December 31, 2022. Based on the valuation report, the value of the leasehold property is P341 million. The fair value adjustment is calculated as the present value of the rent savings when the contract rent at the time of the appraisal is less than the current market rent.

During November 2023, the Parent Company has paid and completed the required filings with the SEC regarding its application for increase in capitalization. On February 1, 2024, the SEC approved the increase in the capital stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share. Subsequently, on April 8, 2024, the SEC approved the valuation of the 250,000 Metro Solar shares in the amount of P250 million as payment by FEMI for the issuance by the Parent Company of 250 million common shares at par value of P1 per share in favor of FEMI.

# 2 Cash

Cash as at December 31 consists of:

	2023	2022
Cash on hand	46,201	36,201
Cash in banks	12,734,332	1,307,600
	12,780,533	1,343,801

Cash accounts with banks generally earn interest at rates based on daily bank deposit rates. Interest income earned from cash in banks amounted to P1,007 for the year ended December 31, 2023 (2022 - P729, 2021 - P4,069).

#### 3 Non-trade and other receivables; Due from related parties

Non-trade receivables for the years ended December 31 are as follows:

	2023	2022
Advances to third party	39,983,629	-
Non-trade receivables	24,080,788	18,569,428
	64,064,417	18,569,428

Non-trade receivables pertain to the royalty income from depot developments in TriNoma and billed to North Triangle Depot Commercial Corporation (NTDCC) (Note 12). These are short-term, unguaranteed, unsecured, non-interest bearing and collectible in cash with usual credit terms of 60 days.

Advances to third party pertain to funds disbursed to a third party contractor to finance the design, installation and construction of the solar project facilities. These are unsecured, unguaranteed, subject to interest of 10% annually and collectible over 12 months from the start of the project construction.

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

	Note	2023	2022
Due from related parties	16		
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, 2023, 2022 and 2021.

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

Provision for impairment of non-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 non-trade receivables and incorporated forward-looking information based on certain macroeconomic factors such as gross domestic product 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 non-trade and 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 non-trade and 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.

Based on management's assessment, management believes that the net carrying amount of non-trade receivables and due from related parties are recoverable.

#### 4 Other current assets

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

	2023	2022
Input VAT	1,713,430	466,481
Creditable withholding tax	1,712,077	1,116,949
Advances to suppliers	768,199	-
Prepaid taxes	15,900	-
	4,209,606	1,583,430

Creditable withholding tax is related to the depot royalty income from NTDCC (Note 12).

# 5 Financial assets at fair value through OCI

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

	2023	2022
Unquoted equity securities	3,058,238,916	3,058,238,916
Quoted equity securities	2,092,420	2,981,162
	3,060,331,336	3,061,220,078

# 5.1 Unquoted equity securities

Unquoted equity securities as at December 31, 2023 consist of investments in MRTHI and MRTHI. The Group's ownership interests in MRTHI and MRTHII as at December 31, 2023 and 2022 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, 2023 and 2022 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 MRTHI. 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, 2023 and 2022, 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 consolidated 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 a separate line item in the consolidated statement of total comprehensive income for the year ended December 31, 2021. 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 (Note 16);
- (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 16). 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:

	2023	2022	2021
Acquisition cost	2,565,582	2,565,582	2,565,582
Cumulative change in fair value			
Beginning of the year	415,580	1,486,553	1,131,344
Change in the fair value during the year	(888,742)	(1,070,973)	355,209
End of the year	(473,162)	415,580	1,486,553
	2,092,420	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 consolidated statements of total comprehensive income.

During 2023, the Company received P2,871,466 from its investments in quoted equity securities. There is no similar transaction in 2022 and 2021.

# 6 Investment in associates

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

		Owne	•	
	Country of	inter	est	Main activity and registered
	incorporation	2023	2022	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 2 <sup>nd</sup> 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, 2023 and 2022, the Company has no commercial activity.
				Registered address is at 6 <sup>th</sup> floor, The Belvedere Tower, San Miguel Avenue, Ortigas Center, Pasig City.

The carrying value of investment in associates as at December 31, 2023 consists of investment in MRTDC amounting to P6,942,791 (2022 - P19,071,383). As at December 31, 2023 and 2022, 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:

	Note	2023	2022	2021
At January 1		19,071,383	13,667,401	5,987,239
Share in net income of MRTDC		6,140,438	19,526,017	7,680,162
Dividends from MRTDC	16	(18,269,030)	(14,122,035)	-
At December 31		6,942,791	19,071,383	13,667,401

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 consolidated statement of financial position (Note 16).

On December 7, 2023, MRTDC declared dividends to its shareholder amounting to P115,700,000, of which P18,269,030 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 consolidated statement of financial position (Note 16).

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

	2023	2022
Current assets	425,956,336	499,479,521
Non-current assets	39,719,678	12,402,602
Current liabilities	(359,805,528)	(236,756,220)
Non-current liabilities	(60,246,261)	(151,305,905)
Net assets	45,624,225	123,819,998

Statements of total comprehensive income

	2023	2022
Revenue	308,098,954	381,632,097
Net income	38,888,144	123,660,654
Total comprehensive income	38,888,144	123,660,654

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:

	2023	2022
Net assets	45,624,225	123,819,998
Group's equity interest	15.79%	15.79%
Group's share of net asset	7,204,065	19,551,178
Other equity adjustment	(261,274)	(479,795)
Carrying value, December 31	6,942,791	19,071,383

#### 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, 2023 and 2022 are not recoverable.

# 7 Property and equipment

Movements in property and equipment for the year ended December 31, 2023 are as follows:

	Transportation	Office	Construction-in-	
	equipment	equipment	progress	Total
Opening net carrying values	-	-	-	-
Additions	977,186	90,738	38,607,501	39,675,425
Depreciation (Note 13)	(38,889)	(23,622)	-	(62,511)
Closing net carrying values	938,297	67,116	38,607,501	39,612,914
At December 31, 2023				
Cost	977,186	90,738	38,607,501	39,675,425
Accumulated depreciation	(38,889)	(23,622)	-	(62,511)
Net carrying values	938,297	67,116	38,607,501	39,612,914

Construction in progress pertains to the cost incurred to construct the solar power project facilities in a leased property in Pililla, Rizal.

There are no transactions and balances related to property and equipment for the years ended December 31, 2022 and 2021.

#### 8 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 12) 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 12).

On December 14, 2023, the Company signed an Alternative Compliance Agreement with Global Estate Resorts Inc., and NTDCC, which calls for the payment by NTDCC of depot royalty income due on the development of various lot pads located in North Avenue, Quezon City, which should have been completed in year 2019. In view of the delay and non-completion of the development of said lot pads, NTDCC agrees to pay the Company additional compensation in 2023 to cover the projected depot royalty income due from 2019 to 2023, and thereafter pay a yearly depot royalty income from 2024-2026 based on the agreed schedule.

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, 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 (Note 13)	(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 (Note 13)	(27,317)
Closing net carrying amount	682,935
At December 31, 2022	
Cost	901,471
Accumulated amortization	(218,536)
Net carrying amount	682,935
For the year ended December 31, 2023	
Opening net carrying amount	682,935
Amortization (Note 13)	(25,041)
Closing net carrying amount	657,894
At December 31, 2023	
Cost	901,471
Accumulated amortization	(243,577)
Net carrying amount	657,894

# 9 Accrued expenses and other current liabilities

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

	2023	2022
Advances from MPIC	350,000,000	350,000,000
Accrued expenses	65,026,736	55,024,761
Output VAT Payable	2,208,927	-
Payable to regulatory agencies	1,332,462	1,009,950
	418,568,125	406,034,711

# 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 are still in the process of discussing possible scenarios on how to implement the transactions contemplated by the parties is subject to certain conditions, which as at December 31, 2023 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, 2023 and 2022.

#### 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.

#### 10 Leases

On October 16, 2017, MSPSI entered into a lease agreement with a third party for the lease of a 91.31 hectare property in Pililla, Rizal. The property will be used as the site of MSPSI's solar project facilities. The lease agreement will be in effect for 30 years and may be extended only upon a written agreement with the lessor at least 30 days before the end of the aforementioned lease period.

The lease agreement does not contain an option to purchase the underlying asset outright at the end of the lease term, nor the option to extend for further term without mutual agreement on both parties. The lease agreements do not impose any covenants other than the security interests in the leased asset that are held by the lessor. The leased asset is also not used as a security for borrowing purposes.

The leased asset is presented as a separate line item in the consolidated statements of financial position. The statement of financial position shows the following amounts relating to leases as of December 31, 2023:

	2023
Right-of-use asset, net	
Leasehold property	348,090,414
Lease liabilities Current Non-current	227,113 13,446,158
Non current	13,673,271

#### (i) Right-of-use asset, net

The movement in right-of-use asset for the year ended December 31, 2023 are as follows:

	2023
Beginning	-
Additions	352,975,314
Depreciation	(4,884,900)
Ending	348,090,414

#### (ii) Lease liabilities

Movements in lease liabilities for the year ended December 31, 2023 are as follows:

	2023
Beginning	-
Principal and interest payments	
Principal	(72,168)
Interest	(327,832)
	(400,000)
Non-cash changes	
Additions during the year	13,745,439
Interest expense	327,832
· · · ·	14,073,271
Ending	13,673,271

Future minimum lease payments under lease liabilities and the net present value of the minimum lease payments as at December 31, 2023 are follows:

	2023
Not later than 1 year	1,200,000
Later than 1 year but not later than 5 years	4,800,000
More than 5 years	22,500,000
Total	28,500,000
Future finance charges	(14,826,729)
	13,673,271

(iii) Amounts recognized in the consolidated statements of total comprehensive income

The consolidated statement of total comprehensive income for the year ended December 31, 2023 show the following amounts relating to leases:

	Note	2023
Amortization expense	13	4,884,900
Finance costs		327,832
		5,212,732

# (iv) Discount rate

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

#### Critical accounting estimates and assumptions: Determining the incremental borrowing rate

To determine the incremental borrowing rate, the Company used the government bond yield, adjusted for the credit spread specific to the Company as at lease commence date. The discount rate applied by the Group related to the leasehold property is 7.17%.

#### (v) Extension and termination options

Extension and termination options are included in the lease agreement. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable by both the Company and the respective lessor.

#### Critical accounting judgment: Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended.

The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate, the Company is reasonably certain to extend.
- If any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain to extend.
- The Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The extension option in the lease haw been included in the lease liability because renewal is highly probable given the ongoing construction of the solar project. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

# 11 Equity

#### Share capital

The details of share capital as at December 31, 2023 and 2022 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 87.98% shareholding in the Parent Company.

# Planned increase in authorized capital stock

As indicated in Note 1, the Parent Company has completed its application for increase in capitalization with the SEC from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share. On February 1, 2024, the SEC approved such application.

During the pendency of the application of increase in capital stock from P2 billion to P5 billion, at the Annual Stockholder's Meeting held on October 12, 2023, the stockholders approved to further increase the authorized capital stock of the Parent Company, from P5 billion divided into 5 billion shares with a par value of P1 per share to P10 billion divided into 10 billion shares with a par value of P1 per share. The stockholders also approved the subscription of FEMI to P1.25 billion, equivalent to 1.25 billion shares at P1 par value, which subscription is to be partially paid to the extent of P312 million via offset of Parent Company's debt to FEMI in the amount of P186 million, the assignment of FEMI's deposit for future subscription in the amount of P102 million and the amount of P24 million to be paid in cash.

# 12 Depot royalty income

Depot royalty income for the year ended December 31, 2023 amounting to P44,664,516 (2022 - P19,546,766, 2021 - P7,887,684) 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 (Note 8). The amount of royalty income is recognized over time as NTDCC earns rental income from the commercial center.

# 13 General and administrative expenses

This account consists of the following:

	Notes	2023	2022	2021
Salaries and wages		18,238,734	15,982,031	20,327,228
Fees		6,333,308	281,335	-
Transportation and travel		5,944,739	4,997,611	5,396,832
Depreciation of right-of-use asset	10	4,884,900	-	-
IT expense		4,882,959	3,545,487	-
Professional and retainer's fee		3,365,602	2,076,021	1,641,236
13 <sup>th</sup> month pay		1,770,532	2,095,532	1,698,532
Taxes and licenses		1,574,204	2,442,562	1,351,960
Directors' fee		396,757	507,895	554,035
Depreciation of property and equipment	7	62,511	-	-
Amortization of intangible asset	8	25,041	27,317	27,317
Legal		158,350	2,770,847	371,748
Others		1,094,911	844,597	590,027
		48,732,548	35,571,235	31,958,915

Taxes and filing fees include SEC payment for the amended articles of incorporation in line with the increase of authorized capital stock and expansion of primary purpose amounting to P6,001,000 (2022 - nil).

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

#### 14 Other income, net

Other income net for the years ended December 31 consists of the following:

	2023	2022	2021
Gain on foreign exchange, net	2,588	11,121	406,126
Interest income	893,348	666	4,069
Exclusivity fee	-	-	20,000,000
	895,936	11,787	20,410,195

Interest income includes interest earned on advances to third party (Note 3).

Foreign exchange gain, net relates to the translation and transactions in respect of the Company's USD-denominated cash account. Details of foreign exchange gain, net as at December 31 are as follows:

	2023	2022	2021
Realized foreign exchange (loss) gain	-	(11,328)	368,449
Unrealized foreign exchange gain	2,588	22,449	37,677
	2,588	11,121	406,126

#### 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, 2022, 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 consolidated statement of total comprehensive income for the year ended December 31, 2021.

# 15 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, 2023, 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 consolidated financial statements. Hence, effect of changes in the tax rates applied is reflected in the income tax reconciliation for the year ended December 31, 2021.

#### Income tax benefit

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

	2023	2022	2021
Current	(185,213)	-	(5,237,684)
Deferred	-	-	265,746
	(185,213)	-	(4,971,938)

The Parent Company used minimum corporate income tax for purposes of the income tax calculation for the taxable year 2023, 2022 and 2021, while the subsidiaries used regular current income for the taxable years 2023, 2022 and 2021.

#### Deferred income tax (DIT)

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

	2023	2022
Allowance for impairment of other receivables	1,328,734	1,328,734
MCIT	948,524	278,517
NOLCO	832,856	-
	3,110,114	1,607,251

Under the Tax Reform Act of 1997 (the "Act"), the Company shall pay the Minimum Corporate Income Tax (MCIT) or the normal income tax, whichever is higher. Following the enactment of the CREATE law, from July 1, 2020 to June 30, 2023, the MCIT is 1% (from January 1 to June 30, 2023) and 2% (from July 1, 2023 onwards) of gross income as defined under the Act. Any excess of the MCIT over the normal income tax shall be carried forward annually and credited against the normal income tax for the next three succeeding taxable years.

Year of incurrence	Year of expiration	Tax rate	2023	2022
2021	2024	1%	82,938	82,938
2022	2025	1%	195,579	195,579
2023	2026	1.5%	670,007	-
			948,524	278,517

The Group recognized the tax benefit from NOLCO from the prior years to the extent of the current year taxable income. The Group continued not to recognize certain deferred income tax assets arising from the net operating loss carry-over (NOLCO) attributable to the Parent Company because management has assessed there will be no sufficient future taxable income against which the benefits of these tax assets can be utilized.

The amounts and details of NOLCO and the related recognized and 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	Tax rate	2023	2022
2020	2025	25%	1,252,083	1,252,083
2021	2026	25%	3,660,990	3,660,990
2022	2025	25%	16,012,348	16,012,348
2023	2026	20%	2,714,099	-
			23,639,520	20,925,421
Applied during the year			(1,451,239)	-
			22,188,281	20,925,421
Recognized DIT asset at the a	pplicable tax rate		542,820	-
Unrecognized DIT asset at the		4,868,546	5,231,355	
			5,411,366	5,231,355

#### 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:

2023	2022	2021
1,665,606	878,334	652,552,406
(1,535,109)	(4,881,504)	(1,920,041)
(717,867)	-	(651,547,624)
(396,703)	4,003,087	915,247
977,564	250	1,029
(178,704)	(167)	(1,017)
-	-	125,804
-	-	(5,097,742)
(185,213)	-	(4,971,938)
	1,665,606 (1,535,109) (717,867) (396,703) 977,564 (178,704) -	1,665,606       878,334         (1,535,109)       (4,881,504)         (717,867)       -         (396,703)       4,003,087         977,564       250         (178,704)       (167)

#### 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.

# 16 Related party transactions and balances

Transactions and balances with related parties are presented as follows:

		Transactions		Balan	ces	
	2023	2022	2021	2023	2022	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						
(Advances from) Payments on						
behalf of FEMI	(13,388,282)	4,793,116	37,822,513	(267,424,211)	(702,217,691)	(c
Debt-to-equity conversion	500,000,000	-	-	-	-	
· ·	486,611,718	4,793,116	37,822,513	(267,424,211)	(702,217,691)	
Due to other related parties						
Advances						
MRTHI - investee	-	-	-	(221,939,234)	(221,939,234)	(d
MRTHII - investee	-	-	(27,978,631)	-	-	(e
MRTDC - associate	(5,769,091)	(17,368,999)	(7,895,000)	(18,418,328)	(30,918,267)	
Dividend settlement						
MRTHII - investee	-	-	147,706,848	-	-	(b
MRTDC - associate	18,269,030	14,122,035	-	-	-	(f
	12,499,939	(3,246,964)	111,833,217	(240,357,562)	(252,857,501)	
Assignment of MSPSI shares		· · · · ·			· ·	
FEMI	352,000,000	-	-	-	-	(g
Deposit for future stock						
subscription						
FEMI	852,000,000	-	852,000,000	-	-	(g

#### (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 billion, and the cost of acquisition of shares of MRTHII amounting to P180 million.

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 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.

Over the years, the amount of liability was reduced mainly through repayments and conversion of FEMI advances into equity. There was a net advances for the year amounting to P2,079,796 (2022 - P4,793,116, net repayments). In addition, per the execution of the Deed of Assignment with FEMI dated October 10 2019 and the completion of the application on November 2023, P500 million of advances was fully paid through the conversion into equity of a portion of FEMI advances to the Parent Company (Note 1; Ref. g below).

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, 2023 and 2022.

# (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, 2023 and 2022.

# (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, 2023 and 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, 2023 and 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:

	2023	2022
As at December 31		
Investment in subsidiaries	379,164	441,833
Non-trade and other receivables	319,024	1,772,220
Accrued expense and other current liabilities	(2,748,736)	(1,429,459)
Due to related parties	(319,024)	(342,761)
For the year ended December 31		
Other expense, net	(28,927)	(33,742)

# (g) Deposit for future stock subscription

On October 10, 2019, FEMI and the Parent Company executed a Deed of Assignment (of Advances) whereby FEMI assigned, transferred and conveyed unto the Parent Company the advances of FEMI to the Parent Company in the aggregate amount of P500 million in partial payment of FEMI's P750 million subscription out of the planned P3 billion increase in capital stock of the Parent Company (Note 1). This will result to a recognition of a deposit for future stock subscription amounting to P500 million which will be applied to new share issuances once the SEC approved the increase in capitalization.

Additionally, for the year ended December 31, 2023, the Parent Company recognized a deposit for future stock subscription amounting to P352 million as a result of the assignment of MSPSI shares by FEMI (Note 1).

On November 2023, the Parent Company already paid and completed the required filings with the SEC in relation to the increase in capitalization. Accordingly, as at reporting date, deposit for future stock subscription totaling P852 million is classified as part of equity in the consolidated statements of financial position. Subsequently, on February 1, 2024, the SEC approved the increase in the capital stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share such that the capital stock now stood at P5 billion divided into 5 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share from the previous P2 billion divided into 2 billion shares at par value of P1 per share.

#### 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.

#### 17 Earnings per share

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

	2023	2022	2021
Net income	5,697,189	3,513,335	2,615,181,561
Divided by weighted average number of			
shares issued and outstanding	1,998,553,181	1,998,553,181	1,998,553,181
Basic and diluted EPS	0.0029	0.0018	1.3085

The Parent Company has no potential dilutive ordinary shares for the years ended December 31, 2023 and 2022. Therefore, the amounts reported for basic and diluted earnings per share are the same.

# 18 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.

# 19 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 non-trade receivables and due from related parties (Notes 3 and 16)
- Measurement of unquoted equity instruments cost as an estimate of fair value (Note 5)

#### (b) Critical accounting judgments

- Recoverability of non-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 15)

# 20 Financial risk management objectives and policies

# 20.1 Components of financial assets and financial liabilities

#### Financial assets

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

	Notes	2023	2022
At amortized cost			
Cash	2	12,780,533	1,343,801
Non-trade receivables	3	64,064,417	18,569,428
Due from related parties	3	898,118,179	898,118,179
		974,963,	918,031,408
At FVOCI			
Unquoted equity securities	5	3,058,238,916	3,058,238,916
Quoted equity securities	5	2,092,420	2,981,162
		3,060,331,336	3,061,220,078
		4,035,294,465	3,979,251,486

Due from related parties are presented gross of allowance for impairment. Allowance for impairment as at December 31, 2023 and 2022 amounted to P5,314,935.

# Financial liabilities

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

	Notes	2023	2022
Advances from MPIC	9	350,000,000	350,000,000
Accrued expenses	9	65,026,736	55,024,761
Lease liability	10	13,673,271	-
Due to a stockholder	16	267,424,211	702,217,691
Due to other related parties	16	240,357,562	252,857,501
		936,481,780	1,360,099,953

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

# 20.2 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.

#### 20.2.1 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:

		More than 12	
	Within 12 Months	months	Total
2023			
Advances from MPIC	350,000,000	-	350,000,000
Accrued expenses	65,026,736	-	65,026,736
Lease liability	227,113	13,446,158	13,673,271
Due to a stockholder	-	267,424,211	267,424,211
Due to other related parties	-	240,357,562	240,357,562
	415,253,849	521,227,931	936,481,780
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

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

#### 20.2.2 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:

					Basis of
	Gross carrying	Allowance	Net carrying	Internal credit	recognition of
	amount	provided	amount	rating	ECL
<u>2023</u>					
Cash	12,734,332	-	12,734,332	Performing	12-month ECL
Non-trade and other receivables					
				Collective	
Group 1	64,064,417	-	64,064,417	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
	974,916,928	(5,314,935)	969,601,993		
2022					
Cash	1,307,600	-	1,307,600	Performing	12-month ECL
Non-trade and other receivables					
				Collective	
Group 1	18,569,428	-	18,569,428	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.

Cash exclude cash on hand as at December 31, 2023 and 2022 amounting to P46,201 (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, 2023 and 2022. 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.

#### 20.2.3 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 net transactional currency exposure. Such exposure is not material to the Group as this arises mainly from immaterial cash balances denominated in US Dollar.

#### 20.3 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, deposit for future stock subscription, and retained earnings, as its capital:

	Notes	2023	2022
Equity			
Share capital	11	1,998,553,181	1,998,553,181
Additional paid-in capital		589,120,804	589,120,804
Deposit for future stock subscription	16	852,000,000	-
Retained earnings		53,379,271	47,682,082
		3,493,053,256	2,635,356,067
Debt			
Due to a stockholder	16	267,424,211	702,217,691
Due to related parties	16	240,357,562	252,857,501
		507,781,773	955,075,192
		4,000,835,029	3,590,431,259

#### 21 Summary of material 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.

#### 21.1 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 Philippine Financial and Sustainability Reporting Standards Council (FSRSC) 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 19.

#### 21.2 Changes in accounting policies and disclosures

#### New standards, amendments and interpretations adopted

• 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 adopted the amendment and updated the disclosures of material accounting information.

There are no other new standards, amendments and interpretations which are effective for the financial year on or after January 1, 2023 that are relevant to and have a material impact on the Group's consolidated financial statements.

#### 21.3 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). These are strategic investments, and the Group considers this classification to be more relevant.

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), non-trade and other receivables (Note 3), and due from related parties (Notes 3 and 15).

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

#### **Measurement**

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.

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the consolidated statements of total comprehensive income.

#### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the consolidated statements of total comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### **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 non-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.

#### 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.

#### 21.4 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 9), due to a stockholder (Note 16), and due to other related parties (Note 16).

#### Recognition and measurement

The Group recognizes a financial liability in the consolidated statements 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 consolidated statements of total comprehensive income.

#### 21.5 Determination of fair value

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, 2023 and 2022 approximate their fair values due to their short-term maturities.

The fair values of due from related parties, due to a stockholder and due to other related parties amounted to P815,403,044 (2022 - P779,000,935), P244,240,282 (2022 - P615,424,152) and P219,520,134 (2022 - P221,604,519), determined using discounted cash flow approach by applying current market interest rates of 5.89% (2022 - 5.42%) (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 and intangible assets, approximate its fair value in the light of the assets' current use is presumed to be its highest and best use.

#### 21.6 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.

#### 21.7 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, 2023 and 2022 considering that MGHC Royal is a dormant entity.

#### Asset acquisition

Asset acquisition represents an acquisition of an asset or group of assets, and the assumption of liabilities that does not meet the definition of a business. A business is defined by the Parent Company as "an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities".

The Parent Company has assessed that the acquisition of MSPSI shares represents an asset acquisition for purposes of consolidation, rather than a business combination, as MSPSI did not qualify as a business since still in its pre-operating stages.

Generally, the cost of the transaction is measured at the fair value of the consideration transferred. When only equity interests are issued, the value of the acquiree's equity interest might be more reliably measured than the value of the acquirer's equity interest. If so, the acquirer should use the acquisition date fair value of the acquiree's equity interests instead of the acquisition date fair value of the equity interests transferred.

In such cases, the acquirer shall identify and recognize the individual identifiable assets acquired and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

The Parent Company consistently applies the policy for similar transactions.

#### 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.

#### 21.8 Non-trade and other receivables

Non-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, such as advances, are recognized initially at fair value and subsequently measured at amortized cost using effective interest method, less any provision for impairment.

Non-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.

#### 21.9 Other current assets

Other current assets consist of input value-added tax (VAT), creditable withholding taxes, prepaid taxes and advances. These are stated at face value less provision for impairment, if any.

Input VAT, prepaid taxes 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.

#### 21.10 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.

#### 21.11 Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and impairment in value, if any. Land is stated at cost less any impairment in value. The initial cost of property and equipment comprise its purchase price, including import duties and non-refundable purchase taxes and other directly attributable cost of bringing the property and equipment to its working condition and location for its intended use.

Depreciation is computed on the straight-line method over the following estimated useful life of the property and equipment:

	In years
Transportation equipment	5
Office equipment	3-5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 21.13)

#### 21.12 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 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.

#### 21.13 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.

#### 21.14 Deposit for future stock subscription

Deposit for future stock subscriptions refer to the amount of money or property received by the Company with the purpose of applying the same as payment for future issuance of stocks which may or may not materialize. Deposit for future stock subscriptions cannot be considered as part of the capital stock of the Company until shares of stocks are actually issued in consideration thereof.

On May 11, 2017, SEC issued an amendment on SEC Bulletin No. 6 (issued in 2012) for the treatment of the deposit for future stock subscriptions. As stated, an entity shall classify a contract to deliver its own equity instruments under equity as deposit for future stock subscriptions if and only if, all of the following elements are present as of the end of the period:

- The unissued authorized capital of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD approval on the proposed increase in authorized capital stock (for which a deposit was
  received by the corporation);
- There is stockholders' approval of said proposed increase in authorized capital stock; and
- The application for the approval of the increase in capital stock has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as part of liability. The amount of deposit for future stock subscriptions will be reclassified to equity account when the Company meets the foregoing elements.

#### 21.15 Leases (where the Group is the lessee)

#### a) Measurement of lease liabilities

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e., term, currency and security).

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

#### b) Measurement of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

#### c) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

#### 21.16 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.

#### 21.17 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 income

Revenue is recognized on a time-proportion basis using the effective interest method.

#### 21.18 Cost and expense recognition

Costs and expenses in the consolidated statements of total comprehensive income are presented using the function of expense method.

#### 21.19 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.

#### 21.20 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.

#### 21.21 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.

#### 21.22 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.

#### 21.23 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.

#### 21.24 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 consolidated statements of total comprehensive income.

#### 21.25 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.

SUPPLEMENTARY SCHEDULES AS REQUIRED BY REVISED SRC RULE 68 DECEMBER 31, 2023

Schedules	Description
A	Financial Assets
В	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
С	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

SCHEDULE A - FINANCIAL ASSETS DECEMBER 31, 2023

		Amount shown in	
		the	Income
	Number of	Statement of	received and
Name of issuing entity and association of each issue	shares	Financial Position	accrued
Financial assets at amortized cost			
Cash in banks			
United Coconut Planters Bank	-	1,066,369	101
Rizal Commercial Banking Corporation	-	172,564	14
Union Bank of the Philippines, Inc.	-	11,495,399	892
Cash on hand	-	46,201	-
Total cash and cash equivalents	-	12,780,533	1,007
Non-trade receivables	-	64,064,418	-
Other receivables			
Receivable from Monumento Rail	-	5,314,935	-
Advances to MRTHI	-	117,361	-
Advances to MRTHII	-	892,685,883	-
Total non-trade and other receivables	-	962,182,597	-
Financial asset through other comprehensive			
income			
Unquoted equity securities	11,856,311	3,058,238,916	-
Quoted equity securities	5,781,917	2,092,420	-
Total financial assets		4,035,294,466	1,007

SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES) DECEMBER 31, 2023

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected		Current	Non-current	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 II	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, 2023.

SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS DECEMBER 31, 2023

	Balance at			Amounts			Balance at the end of
Name and designation of	beginning of		Amounts	written		Non-	the
debtor	period	Additions	collected	off	Current	current	period
Metro Renewable Transport Solutions, Inc. Metro Global Holdings	1,429,459	1,319,277	-	-	2,748,736	-	2,748,736
Corporation	342,761	-	(23,737)	-	319,024	-	319,024
Total	1,772,220	1,319,277	(23,737)	-	3,067,760	-	3,067,760

#### **METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES** SCHEDULE D – LONG TERM DEBT DECEMBER 31, 2023

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

SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES) DECEMBER 31, 2023

	Balance at beginning	Balance at the end
Name of related party	of the period	of the period
Fil-Estate Management, Inc	702,217,691	267,424,211
Metro Rail Transit Holdings, Inc. I	221,939,234	221,939,234
MRT Development Corporation	30,918,267	18,914,488
	955,075,192	508,277,933

SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS DECEMBER 31, 2023

Name of issuing entity of	Title of issue of			
securities guaranteed by the	each class of	Total amount	Amount owned by	
company for which this	securities	guaranteed and	person for which	Nature of
statement is filed	guaranteed	outstanding	statement is filed	guarantee
N/A	N/A	N/A	N/A	N/A

#### **METRO GLOBAL HOLDINGS CORPORATION AND SUBSIDIARIES** SCHEDULE G -SHARE CAPITAL DECEMBER 31, 2023

			Number of shares			
			reserved for		Number of	
			options,		shares held	
			warrants,		by	
	Number of	Number of	conversion	Number of	Directors,	Number of
	shares	shares issued	and other	shares held by	officers and	shares held
Title of issue	authorized	and outstanding	rights	related parties	employees	by others
Common shares	2,000,000,000	1,998,553,181	-	1,759,750,194	3,669,018	236,580,788

SCHEDULE OF FINANCIAL SOUNDNESS INDICATOR DECEMBER 31, 2023

	December 31, 2023	December 31,2022
Current ratio <sup>a</sup>	0.194:1	0.05:1
Acid Test ratio <sup>b</sup>	2.220:1	2.25:1
Solvency ratio <sup>c</sup>	0.011:1	0.003:1
Debt-to-equity ratio <sup>d</sup>	0.269:1	0.52:1
Asset-to-equity ratio <sup>e</sup>	1.269:1	1.52:1
Interest rate coverage ratiof	32.98:1	N/A
Debt service coverage ratio <sup>g</sup>	19.48:1	N/A
Net debt/EBITDA <sup>h</sup>	N/A	N/A
Earnings per share (PHP) <sup>i</sup>	0.0029:1	0.0018:1
Book value per share <sup>j</sup>	1.748:1	1.32:1
Return on assets <sup>k</sup>	0.001:1	0.0009:1
Return on equity <sup>i</sup>	0.002:1	0.0013:1
Net Profit Margin <sup>m</sup>	0.112:1	0.09:1

<sup>a</sup>Current assets/Current liabilities

<sup>b</sup>Cash and cash equivalents + Non-trade and other receivables, net + Due from related parties/Current liabilities

°Net operating profit after tax + depreciation and amortization/ Total liabilities

<sup>d</sup>Total liabilities/ Total equity

eTotal assets/ Total equity

<sup>f</sup>Earnings before interest, taxes, depreciation and amortization / Interest expense

<sup>g</sup>Earnings before interest, taxes, depreciation and amortization / (Current loan payable + Interest expense + current lease liabilities)

<sup>h</sup>Loans payable less cash and cash equivalents/ Earnings before interest, taxes, depreciation and amortization

Net income / Weighted average number of ordinary shares

Total equity less Preferred Equity/ Total number of shares outstanding

<sup>k</sup>Net income/ Average total assets

Net income / Average total equity

<sup>m</sup>Net income/ Gross income from operations

SCHEDULE RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION DECEMBER 31, 2023

#### Metro Global Holdings Corporation

### Reconciliation of Parent Company Retained Earnings Available for Dividend Declaration As at December 31, 2023

(All amounts in Philippine Peso)

	propriated Retained Earnings, beginning of the /period		44,948,243
	Category A: Items that are directly credited to		
ι	Jnappropriated retained earnings		
	Reversal of Retained earnings appropriation/s	-	
	Effect of restatements or prior-period adjustments Others	-	-
Less:			
	Unappropriated retained earnings		
	Dividend declaration during the reporting period	-	
	Retained earnings appropriated during the reporting period	-	
	Effect of restatements or prior-period adjustments Others	-	-
Unap	opropriated Retained Earnings, as adjusted		44,948,243
Add/Le	ess: Net Income for the current year		10,598,658
Less:	Category C.1: Unrealized income recognized in the profit		
	or loss during the year/period (net of tax)		
	Equity in net income of associate/joint venture, net of dividends declared	(6,140,438)	
		18,269,030	
	Unrealized foreign exchange gain, except those	10,200,000	
	attributable to cash and cash equivalents	-	
	Unrealized fair value adjustment (mark-to-market gains) of		
		-	
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) Unrealized fair value gain of investment property	-	
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) Unrealized fair value gain of investment property Other unrealized gains or adjustments to the retained	-	
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) Unrealized fair value gain of investment property	-	12,128,592

Add: Category C.2: Unrealized income recognized in the profit or		
loss in prior reporting periods but realized in the current		
reporting period (net of tax)	_	
Realized foreign exchange gain, except those attributable		
to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of		
financial instruments at fair value through profit or loss		
(FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained		
earnings as a result of certain transactions accounted for		
under the PFRS	-	-
Add: Category C.3: Unrealized income recognized in profit or loss		
in prior periods but reversed in the current reporting period		
(net of tax)	_	
Reversal of previously recorded foreign exchange gain,		
except those attributable to cash and cash equivalents	_	
•	_	
Reversal of previously recorded fair value adjustment		
(mark-to- market gains) of financial instruments at fair		
value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of		
investment property	-	
Reversal of other unrealized gains or adjustments to the		
retained earnings as a result of certain transactions		
accounted for under the PFRS, previously recorded	-	-
Adjusted net income/loss	2	2,727,250
Add: Category D: Non-actual losses recognized in profit or loss		
during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by		
the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the	-	
year		
Others	-	-
(continued)		

Add/Lease Optonom E. Other items that should be evaluated from		
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for		
dividends distribution		
Net movement of treasury shares (except for		
reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered		
in the reconciling items under the previous	(670,006)	
categories		
Net movement in deferred tax asset and deferred tax		
liabilities related to same transaction, e.g., set up of		
right of use of asset and lease liability, set-up of		
asset and asset retirement obligation, and set-up of	_	
service concession asset and concession payable		
Adjustment due to deviation from PFRS/GAAP - gain (loss)	_	
Others (describe nature)	-	(670,006)
Total Retained Earnings, end of the year/period available for		(0.0,000)
dividend declaration		67,005,487

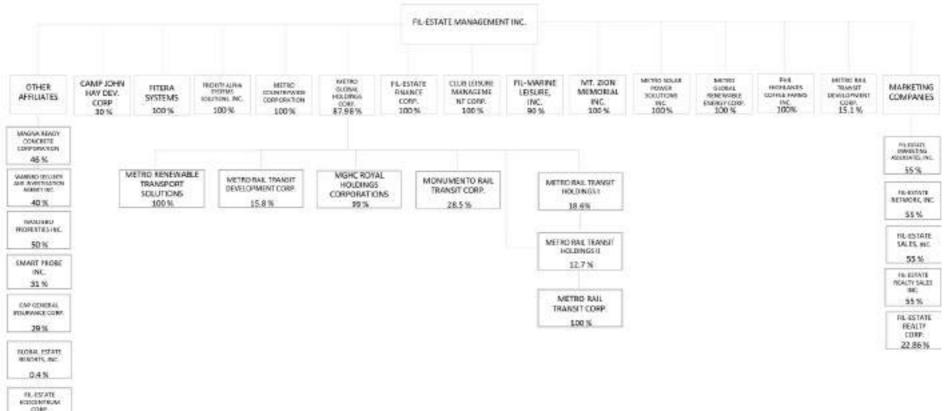
#### Metro Global Holdings Corporation and Subsidiaries

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, 2023

### Metro Global Holdings Corporation and Subsidiaries

A Map Drawing the Relationships between and serving the company and its Utiesate Parent Company, Middle Parent, Subsidiaries DR Co-subsidiaries and Accessines

December 81, 2023



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### ANNEX C

#### METRO GLOBAL HOLDINGS CORPORATION 2025 ANNUAL STOCKHOLDERS' MEETING July 31, 2025 at 10:00 am

#### Requirements and Procedure for Registration, Participation and Voting in Absentia

Metro Global Holdings Corporation (MGHC or the Company) will be conducting its Annual Stockholder Meeting (Annual Meeting) scheduled on July 31, 2025 at 10:00 AM virtually. There will be no physical venue for the Annual Meeting.

Only stockholders of record as of June 25, 2025 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 June 25, 2025 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 <a href="https://metroglobalholdings.com/asmregister/">https://metroglobalholdings.com/asmregister/</a>. Online registration will be open from July 1, 2025 at 9:00 A.M. to July 29, 2025 at 5:00 P.M.
  - 4. Stockholders should complete the online registration and submit/ upload the following for validation:
    - a. For individual stockholders:
      - Scanned copy of any valid government-issued ID showing stockholder's personal details and photo;
      - ii. A valid and active contact number, either landline or mobile;
      - iii. A valid and active email address.
    - 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), (ii) and (iii) for the authorized stockholder:
    - c. For individual stockholders under PCD or a Brokers Account or "Scripless Shares":
      - Broker's certification on the stockholder's number of shareholdings (in PDF format). To facilitate the verification of your account, please copy MGHC (<u>gtreyes@pbrlaw.com.ph</u>) and its stock transfer agent, BDO Stock Transfer (BDOST) (<u>bdo-stock-transfer@bdo.com.ph</u>) in all your email correspondence with your broker for the request for certification;
      - ii. Documents required under items 1.a (i), (ii) and (iii).
    - d. For corporate stockholders:
      - i. Duly accomplished and signed proxy

- ii. Secretary's Certificate attesting to the authority of the representative to participate and/ or vote for and in behalf of the Corporation in the Annual Meeting;
- iii. Documents required under items 1.a (i), (ii) and (iii) for the authorized representative.

The Company shall allow electronic signature for the required documents, as applicable. Notarization requirement shall be dispensed with at this time.

- 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 July 31, 2025 at 10:00 A.M.
- 8. Only those stockholders who have successfully registered following the procedure above and stockholders who have provided 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 2025 ASM, stockholders may send their questions related to the agenda by email to <u>investor-relations@metroglobalholdings.com</u>. 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 July 29, 2025, 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 <a href="https://metroglobalholdings.com/PROXY-2025.pdf">https://metroglobalholdings.com/PROXY-2025.pdf</a>. 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 at <u>investor-relations@metroglobalholdings.com</u>. not later than July 21, 2025. The hard copy of the signed Proxy Form should be delivered to: The Corporate Secretary, Poblador,

Bautista, Reyes Law Offices, 5<sup>th</sup> Floor, SEDDCO Building, Rada Street, Legaspi Village, Makati City.

- 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 July 29, 2025.
  - 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 July 29, 2025 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 <u>investor-relations@metroglobalholdings.com</u>. or our stock transfer agent, BDO Stock Transfer, through their telephone number 88784964.

# **CERTIFICATE OF INDEPENDENT DIRECTOR**

I, **FRANCISCO C. GONZALEZ**, of legal age, Filipino, with office address at 673 Boni Ave., Plainview, Mandaluyong 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 2010;

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

<b>Company/Organization</b>	Position/ Relationship	Period of Service
Romago Incorporated	Chairman of the Board & CEO	2008 to Present
Camp John Hay Golf Glub, Inc.	Director	1999 to Present
Manila Southwoods Golf & Country Club	Director	1988 to Present
Electro Mechanical Products, Inc.	Chairman of the Board	1989 to Present
Fabriduct & Metal Systems, Inc.	Chairman & 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 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.

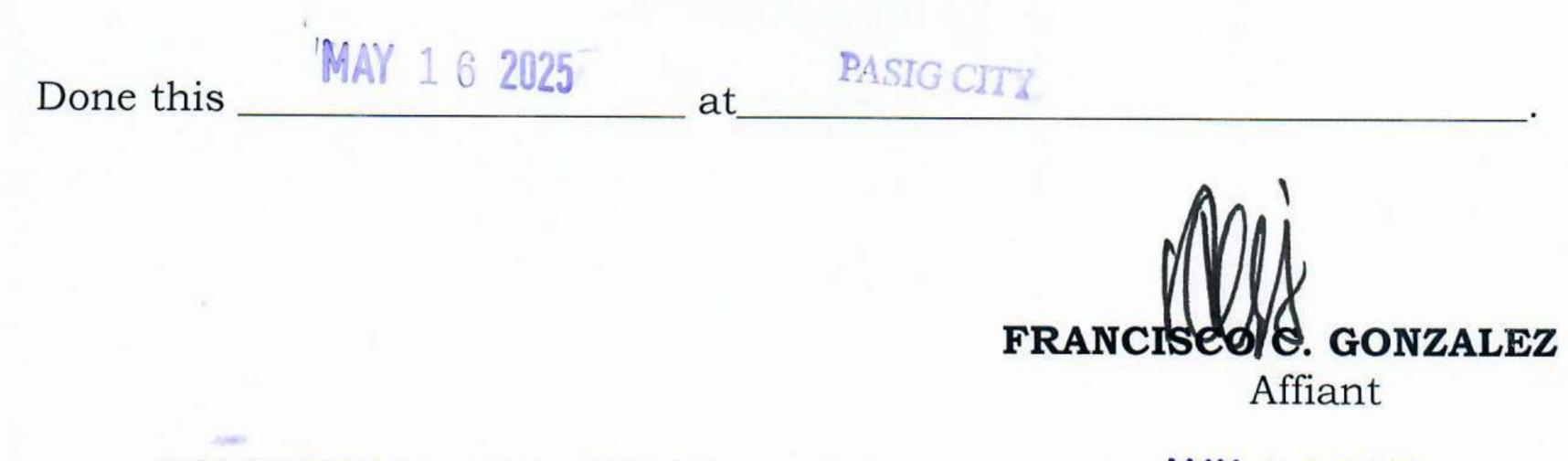
5. I am not in government service or affiliated with a government agency or government-owned and controlled corporation.

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.

Page 1 of 2



PASIG SUBSCRIBED AND SWORN to before me this MAY 1 6 2025 in Affiant exhibited to me his Taxpayer Identification Number (TIN) 122-930-742.

Doc. No. <u>35</u>? Page No. <u>7</u>? Book No. <u>9</u>3, Series of 2025.

1

FERDANAND D. AYAHAO Notary Public For and in Pasig City and the Municipality of Pateroa Appointment No. 96 (2024-2025) valid until 12/31/2025 MCLE Elemption No. VIII-B/P003234, until 04/14/28 Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001

TIN 123-011-785; PTR 2831461AA; 01/03/25; Pasig City U-5, G/F West Tower PSE, Exchange Road Ortigas Center, Pasig City Tel.+632-86314090

Page 2 of 2

# "ANNEX D"

# CERTIFICATE 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 2022;

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

Company/Organization	Position/Relationship	Period of Service
Northernmanor Corp.	Director	2016- Present
Northernsuites Corp.	Director	2016-Present
Nestle Philippines Inc.	Risk Management Consultant	2015-2016
Metro Rail Transit Development Corporation (MRTDC)	Senior Vice President	1995-2003

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 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 controlled 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.

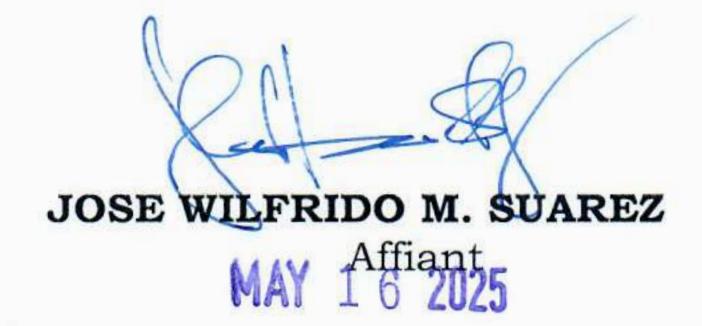
7. I shall inform the Corporate Secretary of Metro Global Holdings Corporation of any changes in the above-mentioned information within five

### days from its occurrence.

9

Done this \_\_\_\_\_\_ ANY 1 6 2025 at \_\_\_\_\_\_ at \_\_\_\_\_\_

Page 1 of 2



SUBSCRIBED AND SWORN to before me this \_\_\_\_\_\_\_ in PASIGCITY. Affiant exhibited to me his Taxpayer Identification Number (TIN) 156-395-433.

Doc. No. 35; Page No. 35; Book No. 35; Series of 2025.

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FERDYNAND D. AYAHAO Notary Public For and in Pasig City and the Municipality of Pateros Appointment No. 96 (2024-2025) valid until 12/01/2025 MCI.E Elemption No. VIII-BEP003234, until 12/01/2025 Roll No. 46377; IBP LRN 02459; OR 5355886; 06/25/2004 TIN 123-011-785; PTR 2831461AA; 01/03/25; Pasig City U-5, G/F West Tower PSE, Exchange Road Ortigas Center, Pasig City TeL+632-86314090

## Page 2 of 2

## **ANNEX E**

### **REPUBLIC OF THE PHILIPPINES**)

# PASIG CITY ) S.S.

### SECRETARY'S CERTIFICATE

I, **ALICE ODCHIGUE-BONDOC**, of legal age, Filipino, with office address at the 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 Philippines, with office address at the 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		
Atty. Ferdinand T. Santos	Director, President & Chief Risk Officer		
Noel M. Carino	Director		
Rafael R. Perez de Tagle, Jr.	Director, EVP for Operations & Director for Investor Relations		
Atty. Alice Odchigue-Bondoc	Director, SVP-Good Governance & Compliance Officer, Corporate Information Officer & Assistant Corporate Secretary		
Roberto S. Roco	Director		
Jaime M. Cacho	Director & SVP for Project Development		
Francisco C. Gonzalez	Independent Director		
Jose Wilfrido M. Suarez	Independent Director		
Gilbert Raymund T. Reyes	Corporate Secretary		
Ramon G. Jimenez	VP-Chief Financial Officer &		
	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 MAY 16 2025 in \_\_\_\_\_\_\_. ALICE ODCHIGUE-BONDOC Assistant Corporate Secretary MAY 16 2025 in <u>PASIG CITY</u>. Affiant exhibited to me her Integrated Bar of the Philippines Lifetime ID No. 014624.

Doc. No. 375; Page No. 79; Book No. 99; Series of 2025. FERDIN IND D. AYAHAO *fotary Public* For and in Parig City and the Municipality of Pateros Appendment No. 96 (2024-2025) valid until 12/31/2025 MCLE Excliption No. VIII-BER003234, until 04/14/28 Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001 TIN 123-011-785; PTR 2831461AA; 01/03/25; Pasig City U-5, G/F West Tower PSE, Exchange Road Ortigas Center, Pasig City TeL+632-86314090

# **ANNEX F**

### COVER SHEET

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#### SECURITIES AND EXCHANGE COMMISSION

#### SEC FORM 17-C

# OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

## 25 July 2024 Date of Report (Date of earliest event reported)

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

#### Metro Global Holdings Corporation Exact name of issuer as specified in its charter

#### 5. Metro Manila, Philippines

(SEC Use Only)

Province, country or other jurisdiction of incorporation

382

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

# (632) 8633-6205 Issuer's telephone number, including area code

9. N.A

Former name or former address, if changed since last report

 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

1

2,750,000,000 share

#### Common Shares

11. Indicate the item numbers reported herein: Item 9

Please see attached letter.

#### 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.

SEC Form 17-C December 2003 1

#### METRO GLOBAL HOLDINGS CORPORATION Issuer

Date: July 25, 2024

By:

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ALICE ODCHIGUE-BONDOC SVP-Good Governance & Compliance Officer

SEC Form 17-C December 2003 ÷

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METRO GLOBAL HOLDINGS CORP.

25 July 2024

#### SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters Makati Avenue, Makati City

#### Attention: ATTY, OLIVER O. LEONARDO

Director, Markets and Securities Regulation Department

#### THE PHILIPPINE STOCK EXCHANGE

6th to 10th Floors, PSE Tower 28th Street corner 5<sup>th</sup> Avenue Bonifacio Global City, Taguig City

## Attention: MS. ALEXANDRA D. TOM WONG

Head, Disclosure Department

#### 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, July 25, 2024, 10:00 A.M. through remote communication, as follows:

- 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 91.26% of common shares of the Company.
- 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 12 October 2023. The Company received votes in person and by proxy a total of 91.26% of common shares in favor of the approval of the Minutes of the Annual Meeting of Stockholders held on 12 October 2023.
  - 2.2 The stockholders approved the Annual Report and Audited Financial Statements of the Company for the calendar year ended 31 December 2023. The Company received votes in person and by proxy a total of 91.26% of common shares in favor of the approval of the Audited Financial Statements of the Company for the calendar year ended 31 December 2023.

- 2.3 The stockholders confirmed and ratified all acts, contracts, resolutions and proceeding made and entered into by Management and/or the Board of Directors and the various Committees constituted pursuant to the Code of Corporate Governance from October 12, 2023 up to the present. The Company received votes in person and by proxy a total of 91.26% 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 from October 12, 2023 up to the present.
- 2.4 The stockholders approved the extension of the Board term of Independent Director Francisco C. Gonzalez for another year following his previous 9-year term limit.
- 2.5 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 91.26% of common shares in favor of the approval of the appointment of Isla Lipana & Co. as the Company's independent external auditor.
- The stockholders, who voted in person and by proxy a total of 91.26% of common shares of the Company, 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 Jose Wilfrido M. Suarez Independent
- In the Organizational Meeting of the Board of Directors of the Company held on 25 July 2024 immediately 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 President & Chief Risk Officer	3	Robert John L. Sobrepeña 'Atty. Ferdinand T. Santos
EVP for Operations & Director for Investor Relations	2	Rafael Perez de Tagle, Jr.
SVP for Project Development	÷	Jaime M. Cacho

Senior Vice President-Good Governance - Atty. Alice Odchigue-Bondoc

Page 2 of 4

Compliance Officer, Corporate Information Officer & Asst. Corporate Secretary

Vice-President – Chief Finance Officer and Alternate Corporate Information Officer		Ramon G. Jimenez
Vice-President - Chief Audit	4	Solita S. Alcantara

Executive Vice-President – Business Dev't. & - Sylvia M. Hondrade Special Projects

VP for Records Management		Socorro G. Roco
VP for Human Resources	-	Khateryn M. Benitez

Corporate Secretary - Atty. Gilbert Raymund T. Reyes

- 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: Jose Wilfrido M. Suarez (Independent Director) Roberto S. Roco Solita S. Alcantara

#### (4) CORPORATE GOVERNANCE COMMITTEE

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

#### (5) BOARD RISK OVERSIGHT COMMITTEE

Chairman: Jose Wilfrido M. Suarez (Independent Director) Members: Francisco C. Gonzalez (Independent Director) Atty. Ferdinand T. Santos Atty. Alice Odchigue-Bondoc

Page 3 of 4

1.

(6) RELATED PARTY TRANSACTIONS COMMITTEE

Chairman: Francisco C. Gonzalez (Independent Director) Members: Jose Wilfrido M. Suarez (Independent Director) Roberto S. Roco Ramon G. Jimenez

 The Board approved the appointment of Banco de Oro- Stock Transfer Services as stock transfer agent.

Very truly yours,

#### METRO GLOBAL HOLDINGS CORPORATION

By:

ATTY. ALICE ODCHIGUE-BONDOC Senipr Vice President-Good Governance Compliance Officer, Corporate Information Officer & Asst. Corporate Secretary

# ANNEX G



#### SEC FORM – I-ACGR

#### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

- 1. For the fiscal year ended December 31, 2024
- 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
   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 G	overnance Responsibilities				
		rent, working board to foster the long- term succes Insistent with its corporate objectives and the long				
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	<ul> <li>Website: www.metroglobalholdings.com</li> <li>2017 Revised Manual on Corporate Governance Provision 2.2 Board Governance (pages 5-19)</li> </ul>				
2. Board has an appropriate mix of competence and expertise.	Compliant	• <u>2024 Annual Report</u> Part III. Control and Compensation Information, Item 9. Directors				
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	<ul> <li>and Executive Officers of the Registrant (pages 37-39)</li> <li><u>2024 Definitive Information Statement</u> Item 5. (a) Board of Directors (pages 18-21)</li> </ul>				
Recommendation 1.2						
<ol> <li>Board is composed of a majority of non-executive directors.</li> </ol>	Compliant	<ul> <li>Board Composition <u>Annex "1"</u></li> <li><u>2017 Revised Manual on Corporate</u> <u>Governance</u> Provision 2.2 Board Governance, Section 2.2.2 Composition of the Board of Directors (page 7)</li> <li><u>2024 Annual Report</u> Part III. Control and Compensation Information, Item 9. Directors</li> </ul>				

		<ul> <li>and Executive Officers of the Registrant (pages 37-39)</li> <li><u>2024 Definitive Information Statement</u> Part III. Control and Compensation Information, Item 9. Directors and Executive Officers of the Registrant (page 35)</li> </ul>	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> - Provision 2.2 Board Governance, Section 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	Link: 2017 Revised Manual on Corporate Governance - Provision 2.2 Board Governance, Section 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	
3. Company has relevant annual continuing training for all directors.	Compliant	SEC Form 17-C Disclosure on Attendance of Directors to 20 December 2024 <u>Corporate Governance Seminar conducted by</u> <u>Center for Global Best Practices</u>	
Recommendation 1.4	-		
1. Board has a policy on board diversity.	Compliant	Link: 2017 Revised Manual on Corporate Governance – Provision 2.2 Board Governance, Section 2.2.2 Composition of Board (page 5-6)	

		Link: <u>Board Diversity Policy</u> Link: <u>MGH Website - Board of Directors</u> In 2024, 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	<u>2017 Revised Manual on Corporate</u> <u>Governance</u>	
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.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	Reyes is not a member of the Board of Directors.	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	Link: 2017 Revised Manual on Corporate Governance – Provision 2.4 The Corporate Secretary (pages 27-28) for the Qualifications, Duties and Functions. 2024 Results of the Organizational Meeting	
		<ul> <li><u>2024 Results of the Organizational Meeting</u> of the Board of Directors</li> <li><u>2024 General Information Sheet</u></li> </ul>	

<ul> <li>4. Corporate Secretary attends training/s on corporate governance.</li> </ul>	Compliant	<ul> <li><u>2024 Annual Report</u> Part III. Control and Compensation Information, Item 9. Directors and Executive Officers of the Registrant (pages 37-39)</li> <li><u>2024 Definitive Information Statement</u> Item 5. (b) Other Executive Officers Who Are Not Directors (pages 21-22).</li> <li><u>Attendance to Seminar on Corporate</u> <u>Governance held on 27 September 2024 by</u> <u>Corporate Secretary, Atty. Gilbert Reyes</u></li> </ul>	
Optional: Recommendation 1.5			
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> – 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	<ul> <li><u>2024 Results of Organizational Meeting of</u> <u>the Board of Directors</u></li> </ul>	

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
<ul> <li>4. Compliance Officer attends training/s on corporate governance.</li> </ul>	Compliant	Link: <u>Certificate of Attendance on 20</u> <u>December 2024 Corporate Governance</u>	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.
		<u>Seminar of Atty. Alice O. Bondoc</u>	

**Principle 2:** The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and bylaws, 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			
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> – 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: <u>Company's Vision, Mission and Core Values</u> 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	2017 Revised Manual on Corporate Governance – Section 2.2.5 Responsibilities, Duties and Functions of the Board (pages 9-15)	

Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<ul> <li>Chairperson: ROBERT JOHN L. SOBREPEÑA Link: <u>MGH Chairperson</u></li> <li><u>2024 Annual Report</u> Part III. Control and Compensation Information, Item 9. Directors and Executive Officers of the Registrant (page 37)</li> <li><u>2024 Definitive Information Statement</u> Item 5. (a) Board of Directors (page 18)</li> <li><u>Corporate Governance Committee Charter</u></li> </ul>	
Recommendation 2.4			
<ul> <li>Board ensures and adopts an effective succession planning program for directors, key officers and management.</li> <li>1. Board adopts a policy on the retirement for directors and key officers.</li> </ul>	Compliant Compliant	Link: Succession Planning Policy <u>Annex "2"</u>	
Recommendation 2.5			
Board aligns the remuneration of key officers and board members with long- term interests of the company. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant Compliant	Link: 2017 Revised Manual on Corporate Governance – Section 2.2.12 Remuneration of Directors and Officers (page 19) Link: Remuneration Policy see <u>Annex "3"</u>	
Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Link: <u>MGH Amended By-Laws [11 September</u> 2024] Article IV, Section 13. Compensation Link: Remuneration Process see <u>Annex "4"</u>	

		Link: <u>2024 Annual Report</u> Part III - Control and Compensation Information, Item 10. Executive Compensation (pages 41-43)	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	Link: 2017 Revised Manual on Corporate Governance – Section 2.3.3 - Executive Committee/Renumeration Committee (pages 20-21)	
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 – Section 2.2.5 - Responsibilities, Duties and Functions of the Board under item "ii" letter (s) (pages 10,12)	
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	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Committee (page 20)	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	- Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Provision 6.1 Investors' Rights and Protection, Section 6.1.2.4 Voting Rights (pages 35-36)	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Link: <u>MGH Amended By-Laws [11 September</u> <u>2024]</u> Article III Board of Directors, Section 2 Qualifications (pages 3-4).	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in	Compliant	Minority shareholders have a right to nominate candidates to the board	

<ul> <li>the nomination, election or replacement of a director.</li> <li>6. Board has a process for identifying the quality of directors that is aligned with</li> </ul>	Compliant	Link: <u>Corporate Governance Committee</u> <u>Charter</u> Provision 5.2 Nomination and Election	
the strategic direction of the company. 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: <u>Guidelines on the Search, Screening and</u> <u>Selection of Directors</u>	
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: <i>Related Party Transactions Policy</i> <u>Annex "5"</u> - provides the summary of outstanding balances as of December 31, 2024 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	<ul> <li><u>2024 Annual Report</u> Item 17. Related Party Transactions and Balances (page 20)</li> </ul>	

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 <i>de minimis</i> 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: <u>2024 Annual Report</u> Part III- Control and Compensation Information, Item 12- Certain Relationship and Related Transactions (page 45)	
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: <u>MGH Amended By-Laws [11 September</u> <u>2024]</u> Article 5 – Meeting, Section 6 (page 12)	
Recommendation 2.8	L		
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	<ul> <li>Link:</li> <li>2017 Revised Manual on Corporate Governance – Section 2.2.5 Responsibilities, Duties and Functions of the Board under item "ii" – Duties and Functions, letter (b) (page 10)</li> <li>2024 Results of Organizational Meeting of the Board of Directors</li> </ul>	

		Link: MGH Amended By-Laws [11 September 2024] Article IV – Officers, Section 1. Election/ Appointment	
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> – Section 2.2.5 - Responsibilities, Duties and Functions of the Board under item "ii" letter (x) (page 12) Link: <u>Annex "6"</u> Annual Board Performance Assessment (BOD 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 <u>Annex "7"</u>	
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> – Section 2.2.5 (ii. u.)- Responsibilities, Duties and Function of the	

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Board (page 12) and 2.2.10- Internal Control Responsibilities of the Board (page 18)	
3. Board approves the Internal Audit Charter.	Compliant	Link: <u>MGH Internal Audit Charter</u>	
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> – Section 2.2.5 (ii. j.)- Responsibilities, Duties and Function of the Board (page 11)	
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	Risk Management Policy see <u>Annex "8"</u>	
Recommendation 2.12	L	Р —	
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> – Section 2.2. –Board	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Governance (page 5-19) Link: MGH Internal Audit Charter	
3. Board Charter is publicly available and posted on the company's website.	Compliant		

1. Board has a clear insider trading policy.	Compliant	Provided in the website under Corporate Governance- Company Policies Link: <u>Insider Trading Policy</u>	
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: <u>MGH Amended By-Laws [11 September</u> <u>2024]</u> Article II . Investment of Corporate Funds (page 2)	
nomination and remuneration. The compo available Committee Charter.	-	ed party transactions, and other key corporate gov and responsibilities of all committees established s	
Recommendation 3.1	Compliant		
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.		Link: <u>MGH Board Committees</u>	
committees that focus on specific board functions to aid in the optimal performance of its roles and		Link: <u>MGH Board Committees</u>	

compliance with applicable laws and regulations.			
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<ul> <li>Link: <u>MGH Audit Committee</u> Independent directors represent 20% of Board composition per mandate of law</li> <li><u>2024 Definitive Information Statement</u> Item 7 (d) The Audit Committee's Approval Policies and Procedures for the Above Services (page 32)</li> <li><u>2024 Results of Organizational Meeting of the Board of Directors</u></li> </ul>	
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	I		
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Link: <u>MGH Audit Committee Charter</u> – Under "Authority" There were no non-audit services conducted by the external auditor for the year 2024.	

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 <u>Annex "9"</u> AC meetings were held on April 08, 2024; April 26, 2024; May 13, 2024; and August 12, 2024, November 07, 2024.	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Link: MGH Audit Committee Charter	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities,	Compliant	<u>Corporate Governance Committee Charter</u>	
including the functions that were formerly assigned to a Nomination and Remuneration Committee.			
including the functions that were formerly assigned to a Nomination and	Compliant	Link: <u>Result of the 25 July 2024 ASM and</u> <u>Organizational Meeting</u> Independent directors represent 20% of Board composition per mandate of law.	

Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	Link: Attendance Sheet <u>Annex 23</u> Link: Minutes of Corporate Governance Committee Meetings in 2024 <u>Annex 24</u>	
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	<u>Board Risk Oversight Committee Charter</u>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.3.6 - Board Risk Oversight Committee (BROC) (pages 24-25) <u>Board Risk Oversight Committee Charter</u>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Link: <u>MGH Board Committees</u> <u>2024 Results of Organizational Meeting of the</u> <u>Board of Directors</u>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.3.6 - Board Risk Oversight Committee (BROC) (pages 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: <u>Related Party Transactions Review</u> <u>Committee Charter</u>	

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 (pages 25-27) 2024 Results of Organizational Meeting of the Board of Directors
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.3–Board Committees (Pages 19-27) • <u>Corporate Governance Committee Charter</u>
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	MGH Audit Committee Charter     Board Risk Oversight Committee Charter     Related Party Transaction Review <u>Committee Charter</u>
3. Committee Charters were fully disclosed on the company's website.	Compliant	<ul> <li>Corporate Governance Committee Charter</li> <li>MGH Audit Committee Charter</li> <li>Board Risk Oversight Committee Charter</li> <li>Related Party Transaction Review Committee Charter</li> </ul>
		directors should devote the time and attention necessary to properly and ng 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) (page 14)	
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.	
3. 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) (page 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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.2.3 – Multiple Board Seats (page 8) See <u>Annex "10</u> " (i) for the information on the directorships of the company's directors in both listed and non-listed companies	
Recommendation 4.31. The directors notify the company'sboard before accepting a directorship in another company.	Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> 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	Compliant	See <u>Annex "10"</u> (ii) for the information on the directorships of the company's directors in both listed and non-listed companies	

than two boards of listed companies outside of the group.			
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	Summary of the Board Meetings held in January up to December 31, 2024 and the Attendance of the Directors to such meetings see <u>Annex "25"</u>	
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.
Drinciple St. The beard should and awar to	overeige an eki	active, and independent independent on all corrected	e effeire
rinciple 5: The board should endedvor to	exercise an obje	ective and independent judgment on all corporat	e analis
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board,	Compliant	Independent directors represent 20% of Board composition per mandate of law	
whichever is higher.		<u>SEC FORM 17-C Results of 2024 Organizational</u> <u>Meeting of the Board of Directors.pdf</u>	

Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.2.2 Composition of the Board of Directors (page 5-8)	
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 and 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, item 11 (page 7)	
The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.2.2 Composition of the Board of Directors, item 11 (page 7)	
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, item 11 (page 7)	
Recommendation 5.4	<u> </u>	1	
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, there 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

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.2.4 The Chair and Chief Executive Officer (pages 8-9) <u>MGH Amended By-Laws [11 September 2024]</u> Article IV – Officers, Section 2. Chairman of the Board & Section 4. President	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 2024 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.
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 Director, item 11 (page 8)	
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> 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.	Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.2.6 Specific Duties and Responsibilities of a Director (vii) (pages 13-14) Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.2.2 Composition of the Board of Directors, item 11 (page 8) The meetings are chaired by Francisco C. Gonzalez, an Independent Director.	
2. The meetings are chaired by the lead independent director.			
Optional: Principle 5	<u> </u>	l	
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 <u>Annex "6"</u>	
2. The Chairman conducts a self- assessment of his performance.	Compliant	See <u>Annex "26"</u>	
3. The individual members conduct a self-assessment of their performance	Compliant	See <u>Annex "27"</u>	
4. Each committee conducts a self- assessment of its performance.	Compliant	See <u>Annex "11"</u>	
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 <u>Annex "12"</u>	
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 <u>Annex "13"</u>	
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: <u>Code of Business Conduct and Ethic</u> s	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Link: <u>Code of Business Conduct and Ethics</u> 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: <u>Code of Business Conduct and Ethics</u>	
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: <u>Code of Business Conduct and Ethics</u>	

Recommendation 7.2			
<ol> <li>Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</li> </ol>	Compliant	Link: <u>Code of Business Conduct and Ethics</u> 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. Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> – Section 2.2.5 Responsibilities, Duties and Functions of the Board, (ii) [z] page 12 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	Link: 2017 Revised Manual on Corporate Governance Section 7 Monitoring and Assessment & Section 8 Penalties (page 39)	
		sure and Transparency	
<b>Principle 8:</b> The company should establish practices and regulatory expectations.	corporate disclosure	policies and procedures that are practical an	d in accordance with best
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	Link: 2017 Revised Manual on Corporate Governance - Section 2.2.5 Responsibilities, Duties and Functions of the Board [bb] (page 13)	

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 15 April 2025 its audited financial statements for the year ending 31 December 2024 as part of its Annual Report. Link: <u>2024 Annual Report</u> The 2024 Quarterly reports were disclosed and published within 45 days from reporting period. Links: <u>2024 Q1 Quarterly Report</u> <u>2024 Q2 Quarterly Report</u> <u>2024 Q3 Quarterly Report</u>	
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: <u>2024 Annual Report</u> Item 5: Market for Registrants Common Equity and Related Stockholders Matters (page 18) The Company upholds and protects the rights of minority shareholders. Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Sec. 6.1 Investors Right and Protection (page 35)	

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	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.2.6 Specific Duties and Responsibilities of a Director, item (viii) (page 15)	
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 Links: Top 100 Shareholders as of December 31, 2024 see <u>Annex "22"</u> <u>List of Top 100 Stockholders (Common Shares) disclosed in the PSE EDGE</u> <u>Company's Conglomerate Map</u>	
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	Link: <u>2024 Annual Report</u> "Item 9. Directors and Executive Officers of the Registrant - Section (A) Executive Officers of the Registrant" (pages 37-39)	

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	Link: <u>2024 Annual Report</u> "Item 9. Directors and Executive Officers of the Registrant - Section (A) Executive Officers of the Registrant" (pages 37-39)	
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: <u>MGH Amended By-Laws [11 September</u> <u>2024]</u> Article III - Board of Directors, Section 8. Compensation (page 6) <u>2017 Revised Manual on Corporate</u> <u>Governance</u> – Section 2.2.5 Responsibilities, Duties and Functions of the Board (ii) [s] (page 12), and Section 2.3.3 Executive Compensation/Remuneration Committee (pages 20-21)	
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: <u>MGH Remuneration Charter</u> <u>MGH Amended By-Laws [11 September</u> <u>2024]</u> Article IV – Officers, Section 13. Compensation (page 11) <u>2017 Revised Manual on Corporate</u> <u>Governance</u> – Sec. 2.2.5 Responsibilities, Duties and Functions of the Board, (ii)Duties and Functions, letter [s] (page 12) and Section 2.3.3 Executive Compensation/ Remuneration Committee (pages 20-21)	

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Link: <u>2024 Annual Report</u> Part III- Control and Compensation Information, Item 10. Executive Compensation (pages 41-44)	
Recommendation 8.51. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Link: <u>Company Policies-MGHC Material Related</u> <u>Party Transactions Policy</u> Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.2.5 Responsibilities, Duties and Functions of the Board, ii. Duties and Functions (k) &(I) (page 11)	
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 & 17 of the Audited Financial Statements. Link: <u>2024 Annual Report</u> Item 17. Related party transactions and balances (pages 20- 22)	
Supplement to Recommendation 8.5           1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Link: <u>Code of Business Conduct and Ethics</u>	

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 & 17 of the Audited Financial Statements. Link: <u>2024 Annual Report</u> Item 17. Related party transactions and balances (pages 20- 22)	
Recommendation 8.6			1
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 – Section 2.2.5 Responsibilities, Duties and Functions of the Board, ii. Duties and Functions [bb] [cc] (page 13)	
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: <u>2024 Annual Report</u> Item 1 – Business Development, Expansion of the Company's Primary Purpose (page 1)	
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Link: <u>2024 Annual Report</u> Item 1. Business (page 1)	

Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u>	
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	Compliant	PSE Edge: <u>MGH Manual on Corporate</u> <u>Governance</u>	
practices.		SEC: 2017 Revised Manual on Corporate Governance	
Optional: Principle 8			•
<ol> <li>Does the company's Annual Report disclose the following information:</li> <li>Corporate Objectives</li> </ol>	Compliant	Link: <u>2024 Annual Report</u> Please refer to "Item 1. Business Development" and "Item 6. Management's Discussion and Analysis or	
b. Financial performance indicator		Plan of Operations"	
c. Non-financial performance indicators d. Dividend Policy		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" 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"	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	Please refer to "Item 9. Directors and Executive Officers of the Registrant; Section (A) Executive Officers of the Registrant"	
f. Attendance details of each director in all directors' meetings held during the year	Compliant	See <u>Annex "25"</u>	
g. Total remuneration of each member of the board of directors	Compliant	Please refer to "Item 10. Executive Compensation"	
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	<ul> <li>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.</li> <li>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.</li> </ul>	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including	Compliant	The management gathers all material information before committing funds. The BOD reviews and approves policies of managing liquidity and credit risks.	

operational, financial and compliance controls) and risk management systems.			
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	<ul> <li>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:</li> <li>1. Monitor and evaluate the adequacy and effectiveness of the company's internal control system, including information technology security and control.</li> <li>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.</li> <li>3. Review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function.</li> <li>4. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief 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</li> </ul>	

		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 <u>Annex "14"</u>	
Principle 9: The company should establish the same to strengthen the external audito Recommendation 9.1		appropriate selection of an external auditor, and e and enhance audit quality.	exercise effective oversight of
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 2023 to 2024 which appointment was ratified during the annual stockholders meeting held on July 25, 2024, where the Company received total votes in person and by proxy of 91.26% stockholders entitled to vote.	
		Link: <u>Result of the 25 July 2024 ASM and</u> <u>Organizational Meeting</u> 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	Link: <u>Audit Committee Charter</u> "Authority" <u>Annex "15</u> " 2024 Audit Committee Process	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Link: <u>Audit Committee Charter</u>	
Recommendation 9.2			
<ol> <li>Audit Committee Charter includes the Audit Committee's responsibility on:         <ol> <li>assessing the integrity and independence of external auditors;</li> <li>exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ol> </li> </ol>	Compliant	Link: <u>Audit Committee Charter</u>	
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: <u>Audit Committee Charter</u>	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand	Compliant	Link: <u>Audit Committee Charter</u>	

complex related party transactions, its counterparties, and valuations of such transactions.			
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: <u>Audit Committee Charter</u> "Authority" Link: Policies on Non-Audit Services See <u>Annex "16"</u>	
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 2024 amounted to Php680,000.00 exclusive of 12%VAT and out- of-the-pocket expenses. There were no non-audit services conducted by the external auditor for 2024	

Additional Recommendation to Principle 9	)		
Additional Recommendation to Principle s 1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<ol> <li>Name of Audit Engagement Partner: Dennis M. Malco</li> <li>Accreditation number: Partner – 126035-SEC Firm –0142-SEC</li> <li>Date Accredited: Partner – April 12, 2021 Firm – December 22, 2020</li> <li>Expiry date of accreditation: Partner – audit of 2021 - 2025 financial statements</li> <li>Firm – audit of 2020 - 2025 financial statements</li> <li>Name, address, contact number of the audit firm: Isla Lipana &amp; Co. 29/F AIA Tower, 8767 Paseo de Roxas, Makati City 1226 Philippines Tel. No. +63 (2) 8845 2728 dennis.malco@pwc.com</li> </ol>	
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 <b>Isla Lipana &amp; Co.</b> 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 Section 2.2.5 Responsibilities, Duties and Functions of the Board, ii. Duties and Functions [dd] (page 13)		
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Link: <u>2024 Annual Report</u> Part V-Exhibits & Schedules – (2) 2024 Sustainability Report		
		and cost-efficient communication channel for a g by investors, stakeholders and other intereste		
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	<u>MGH Website</u> <u>PSE Edge Portal-MGH</u>		
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			
c. Notice of ASM and/or SSM			
d. Minutes of ASM and/or SSM			
e. Company's Articles of Incorporation and By-Laws			
f. Downloadable annual report			
Additional Recommendation to Principle 1	1		
1. Company complies with SEC- prescribed website template.	Compliant	<u>MGH Website</u>	
	Internal Control Sys	tem and Risk Management Framework	
	arency and proper	governance in the conduct of its affairs, the con	mpany should have a strong
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 <u>Annex "8"</u>	

		The company's Risk currently facing is attached as <u>Annex "14"</u> 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	Τ		
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: <u>MGHC IT</u> <u>Disaster Recovery Plan</u> Link: <u>2024 Annual Report</u> – Part V-Exhibits & Schedules – (2) 2024 Sustainability Report	
Recommendation 12.2	ł		
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.6.2 Internal Auditor, item 2.6.2.3 (page 32)	
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: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 2.3.6 Board Risk Oversight Committee (pages 24-25) Link: <u>Board Risk Oversight Committee</u>	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally	-Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u>	

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       Information about the CRO is contained in the Annual Report         Link:       2024 Annual Report       "Iftem 9. Directors and Executive Officers of the Registrant - Section (A) Executive Officers of the Registrant" (page 37)         2.       CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.       Compliant         Additional Recommendation to Principle 12       Compliant       CRO is company's President, so he has adequate authority, stature, resources and support to fulfill his responsibilities.         Additional Recommendation to Principle 12       Compliant       Compliant         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       Compliant	
stature, resources and support to fulfill       CRO is company's President, so he has adequate authority, stature, resources and support to fulfill his responsibilities.         Additional Recommendation to Principle 12       Additional Recommendation to Principle 12         1.       Company's Chief Executive       Compliant         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       Compliant	
1.       Company's Chief Executive       Compliant         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       Compliant    Annex "17" for the CEO, AC Chairman and CAE's attestation	
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.	
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 trights.  Recommendation 13.1	ıeir
Recommendation 13.1       1. Board ensures that basic     Compliant	
shareholder rights are disclosed in the Manual on Corporate Governance. Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> – Section 6 - Shareholders Benefits (pages 35-39)	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Link: <u>2017 Revised Manual on Corporate</u> <u>Governance</u> Section 6 - Shareholders Benefit (pages 35-39)
Supplement to Recommendation 13.1		
1. Company's common share has one vote for one share.	Compliant	MGH Amended By-Laws [11 September 2024] Article V – Meetings, Section 6 (page 12)
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 [11 September 2024] Article V – Meetings, Section 6 and Section 7 (page 12)
3. Board has an effective, secure, and efficient voting system.	Compliant	MGH Amended By-Laws [11 September 2024] Article V – Meetings, Section 7 (page 12)
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 [11 September 2024] Article V – Meetings, Section 4 (page 11)
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 [11 September         2024]       Article V – Meetings, Section 2
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	MGH Amended By-Laws [11 September         2024]       Article V – Meetings, Section 4         (page 11)

7. Company has a transparent and specific dividend policy.	Compliant	MGH Amended By-Laws [11 September 2024] Article VIII – Distribution of Profits, Section 2 (page 15)	
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 ShareholdersThe Company disclosed to the PSE the Company's SEC Form 20-IS Definitive Information Statement (DIS) on 26 June 2024 The Company likewise posted on 22 February 2024 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 25 July 2024, the date of actual meeting. The ASM was announced months before the actual date of the meeting and was posted to PSE Edge on 26 June 2024.Link: Notice of 2024 Annual Stockholders MeetingMeetingLink: 2024 Definitive Information Statement	

Supplemental to Recommendation 13.2		
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Link: 2024 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: <u>2024 Definitive Information Statement</u> Item No. 5- Directors and Executive Officers of Registrant
b. Auditors seeking appointment/re- appointment	Compliant	Link : 2024 Definitive Information Statement         Please refer to page 1
c. Proxy documents	Compliant	Link : <u>2024 Definitive Information Statement</u> Please refer to page 5
Optional: Recommendation 13.2	1	
<ol> <li>Company provides rationale for the agenda items for the annual stockholders meeting</li> </ol>	Compliant	Link : <u>2024 Definitive Information Statement</u> Please refer to page 3
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: <u>Result of the 25 July 2024 ASM and</u> 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: <u>Result of the 25 July 2024 ASM and</u> 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 Section 6.1 Investors' Rights and Protection, item 6.1.9 (page 38)	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	2017 Revised Manual on Corporate Governance- Section 2.2.5 Responsibilities, Duties and Functions of the Board, (ii) Duties and Functions [n] (page 11)	
Recommendation 13.5			
<ol> <li>Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</li> </ol>	Compliant	Investor Relations Officer is: MR. RAFAEL R. 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: <u>Result of the 25 July 2024 ASM and</u> 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: <u>MGH Amended By-Laws [11 September</u> <u>2024]</u> 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 10.67% but the Company plans to increase the public float following the recent increase in capital stock of the Company thus, enabling the Company to be in a position to offer new shares to the public.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	Link: 2017 Revised Manual on Corporate Governance - Section 2.2.5 Responsibilities, Duties and Functions of the Board, (ii) Duties and Functions (pages 11-13)	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	Link: <u>Notice of 2024 Annual Stockholders</u> <u>Meeting</u> <u>2024 Definitive Information Statement</u> Annex C - Requirements and Procedure for Registration, Participation and Voting in Absentia	
	Du	ties to Stakeholders	
Where stakeholders' rights and/or interest violation of their rights		ontractual relations and through voluntary con nolders should have the opportunity to obtain p	
Recommendation 14.11. 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 – Section 2.2.5 Responsibilities, Duties and Functions of the Board, (ii) Duties and Functions [g] & [h] (page 10)	

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- Section 2.4 – The Corporate Secretary, item 2.4.4 (d) (page 28)	
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 <u>Company's Policies – Whistle- Blowing Policy</u>	
Supplement to Recommendation 14.3	Ī		
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- Section 2.2.5 Responsibilities, Duties and Functions of the Board, (ii) Duties and Functions [n] (page 11) See <u>Annex "18</u> "	
Additional Recommendations to Principle			
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	Compliant	There is no instance that MGH sought any exemption for application of any law, rule or regulation for the year 2024 especially when it refers to corporate governance issue.	

steps being taken to finally comply with the applicable law, rule or regulation.			
2. Company respects intellectual property rights.	Compliant	Link: <u>Code of Business Conduct and Ethics</u> - Confidential and Proprietary Information	
Optional: Principle 14			
<ol> <li>Company discloses its policies and practices that address customers' welfare.</li> </ol>	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: <u>Code of Business Conduct and Ethics</u>	
and participate in its corporate governar Recommendation 15.1		be developed to create a symbiotic environme	Shi, realize hie company s geals
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: <u>Code of Business Conduct and Ethics</u>	
Supplement to Recommendation 15.1			
1. Company has a	Compliant	The management of MGHC is currently being undertaken by the executive officers	

		MGHC has 12 employees as of December 31, 2024 (2023 - 11 employees) See <u>Annex "19"</u> for the Reward/ Compensation Policy	
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.	
		MGHC has 12 employees as of December 31, 2024 (2023 - 11 employees)	
		<ul> <li>The health of every employee shall be maintained at its highest level:</li> <li>1. With existing health plan coverage,</li> <li>2. With emergency medicine kit complete with emergency medicines,</li> <li>3. With company nurse to address employees' health needs; assessment and, or referral of employee/s health condition in the workplace.</li> <li>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.</li> <li>5. Pre-employment physical examination to newly hired employees.</li> <li>6. Annual Physical examination to all regular employees</li> </ul>	
		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.	

		<ul> <li>3. An employee is advised to go home or consult immediately a Physician if with presence of any symptoms of a suspected viral illness.</li> <li>4. Maintains well-ventilated and non- hazardous workplace through daily inspection and maintenance of facilities/supplies.</li> <li>5. Quarterly Pest Control program of the work place.</li> </ul>
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 <u>Annex "20"</u> for the Company's Training and Development Program.
Recommendation 15.21.Board sets the tone and makes astand against corrupt practices byadopting an anti-corruption policy andprogram in its Code of Conduct.	Compliant	Link: <u>Code of Business Conduct and Ethics</u>
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 15.21.Company has clear and stringentpolicies and procedures on curbing and	Compliant	Company Gift-giving policy is attached as <u>Annex "21"</u>

penalizing employee involvement in offering, paying and receiving bribes.		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	<u>Company's Policies – Whistle-Blowing Policy</u> Link: <u>Code of Business Conduct and Ethics</u>	
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's Policies – Whistle-Blowing Policy	
3. Board supervises and ensures the enforcement of the whistle blowing framework.	Compliant	Company's Policies – Whistle-Blowing Policy	
		its dealings with the communities where it oper e and progressive manner that is fully supportive	

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 <u>: 2024 Corporate Social Responsibility</u>	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Link: <u>2024 Annual Report</u> – Part V-Exhibits & Schedules – (2) 2024 Sustainability Report	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	Link: <u>2024 Annual Report</u> – Part V-Exhibits & Schedules – (2) 2024 Sustainability Report	

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_\_ exhibited to me their respective valid I.D.'s as follows:

ROBERT JOHN L. SOBREPENA Chairman of the Board Senior Citizen ID No. 81301 Pasig City issued 04/25/15

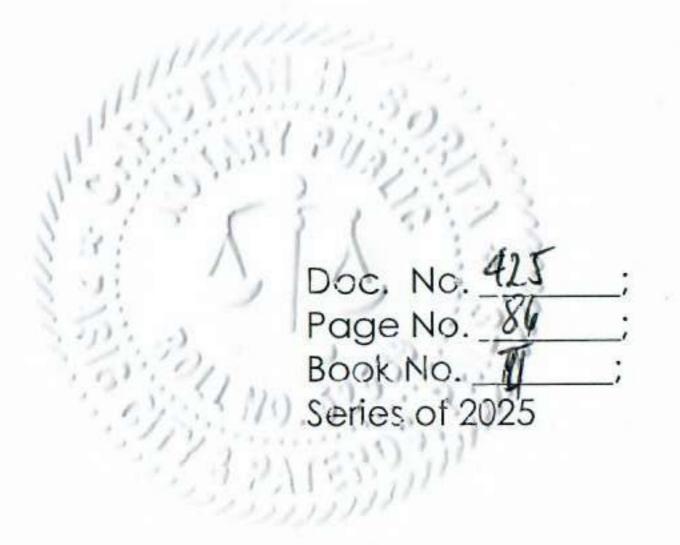
ALICE ODCHIGUE-BONDOC

Chief Compliance Officer Integrated Bar of the Philippines Lifetime ID No. 014624

FERDINAND F. SANTOS

President Senior Citizen ID No. 75098 Pasig City issued 08/19/14

GILBERT RAYMUND T. REYES Corporate Secretary Tax Identification No. 106-973-867



SEC Form – I-ACGR \* Updated May, 2025

# MAY 2 7 2025

## in PASIG CITY

by the following who

FRANCISCO GONZALEZ Independent Director (Lead)

Social Security System ID No. 03-1741698-9

JOSE WILFRIDO M. SUAREZ

Independent Director Tax Identification No. 156-395-433

NOTARY PUBLIC

CHRISTIAN H. SORITA Notary Public for Pasig & Pateros First Floor, Renaissance 1000 Tower D, Meraleo Avenue, Pasig City 1604 Roll of Attorneys No. 52539 Appointment No. 5 (2024-2025) Commission Expires on December 31, 2025 PTR No. 3021157; 01-03-2025; Pasig City Lifetime IBP No. 010223; 10-17-2011; Pasig City MCLE Compliance No.VIII-0000183 issued on 16 August 2022

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### **Composition of the Board**

Director's Name	Type [Executive (ED), Non- Executive (NED) or Independe nt Director (ID)]	lf nominee , identify the principal	election (if ID, state the	Date first electe d	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Robert John L. Sobrepeña	ED	FEMI	FEMI	1996	July 25, 2024	Special Meeting	24
Ferdinand T. Santos	ED	FEMI	FEMI	1996	July 25, 2024	Special Meeting	24
Noel M. Cariño	NED	FEMI	FEMI	1996	July 25, 2024	Special Meeting	24
Rafael Perez de Tagle, Jr.	ED	FEMI	FEMI	2000	July 25, 2024	Special Meeting	20
Alice Odchigue-Bondoc	ED	FEMI	FEMI	2004	July 25, 2024	Special Meeting	16
Francisco C. Gonzalez	ID	FEMI	FEMI, no relation	2010	July 25, 2024 (15 as ID, including COVID years)	Special Meeting	15
Jose Wilfrido M. Suarez	ID	FEMI	FEMI, no relation	2022	July 25, 2024 (3 as ID, including COVID years)	Special Meeting	3
Roberto S. Roco	NED	FEMI	FEMI, no relation	2004	July 25, 2024	Special Meeting	16
Jaime M. Cacho	NED	FEMI	FEMI	2018	July 25, 2024	Special Meeting	9

<sup>&</sup>lt;sup>1</sup> Reckoned from the election immediately following January 2, 2013.



#### 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

MOAC Succession Folicy December 2017 KMBentaz



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.
  - Identify key positions and incumbents targeted for succession planning. This should include an analysis of planned retirements, potential tumover, etc.

MGHC Succession Felly December 2017 SMBerrier



- 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.
- By the end of February each year, the Committee will approve targeted candidates.
- 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.
- 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



#### 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:

 The Remuneration Policy is aligned to the overall business strategy, objectives and values of the group.

MGHC Renunention Policy December 2017 KMBenter



- The Remuneration policy contains arrangements for ensuring that executive remuneration is fair and responsible in the context of overall company remuneration.
- 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).
- The fixed (guaranteed) component of the reward includes a base salary, and benefits that are normally set at market median level.
- 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.

MGHC Remunentaise Policy December 2017 KMBen tec



METRO GLOBAL HOLDINGS CORP.

Remuneration Element	Purpose			
Guaranteed Package	<ul> <li>Pays for overall job requirements, accountability, complexity / variety of tasks.</li> <li>Ensures that MGHC attracts and retains talented high-performing people by paying a market- related guaranteed package.</li> </ul>			
Short-term Incentives	<ul> <li>Focuses on attaining results in both the sh and medium term, whilst at the same to ensuring the successful execution of strategic plan.</li> <li>Variable component that rewa contributions to the business plan.</li> <li>Offers the opportunity for Pay-to Performance to incentivize employees.</li> </ul>			
Long-term incentives	<ul> <li>Crucial in retaining business critical / key employees.</li> <li>Focuses attention on achieving longer-term strategic imperatives and aligns performance with shareholder thinking and expectations.</li> <li>Rewards sustainable company performance.</li> </ul>			
Recognition	<ul> <li>Supports and reinforces innovation and entrepreneurship.</li> <li>Recognizes employees living the values of th company and contributing towards the company's growth.</li> </ul>			

MGAC Remunention Policy December 2017 KNBenter



#### 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 Remunention Policy December 2017 KMBenitez



#### 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 callber 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.

MGeR Remunention Policy December 2017 KMBenter



## 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 KNillen ter

Process	CEO	Top 4 Highest Paid Management Officers
	Compensation was paid to the officers and directors of the Company for 2023.	
(1) Fixed remuneration	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 <b>P</b> 2,500,000.	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
(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."	N/A
	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.	
(4) Bonus	N/A	N/A

	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.
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## Back to recommendation Annex "5"

RPT	Relationship	Nature	Value as of December 2024
Fil-Estate Management, Inc.	Parent company	Cash advance to the Company as of December 31, 2023	P269,741,387.00
MRTHI	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.	P21,227,865.00

Details of related party transactions may be found under Note 17 of the Notes to the Financial Statements which is included in the Company's Annual Report and SEC Form 17A.

## Back to recommendation Annex "6"



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Mateo Globa Holdings Corporation

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Metter Global Holdings Corporation

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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.
  - o Promotion
  - o 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

# **Risk Policy**

Risk Exposure	Risk Management Policy	Objective
Financial exposure risk	Directors are responsible for avoiding situations that present or create the appearance of a potential conflict between their interest and those of the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chair of the Committee on Directors or the Corporate Secretary.	To avoid foreign currency risks and
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.

Audit Committee AGENDA of the Meeting - APRIL 8, 2024

## Metro Global Holdings Corp. MINUTES OF THE MEETING

Venue: Mezzanine Floor, MGHC Board Room, Renaissance Tower F, Meralco Avenue, Pasig City (via Zoom)

APRIL 8, 2024 11:00 AM TO 12:20 PM Present: FCG, JWS, RSR, SSA, AOB, RGJ, Alwin Rivas Dennis Malco, Ms. Liezel

AGENDA: Audit Com's review and approval of MGHC's Financial Statement for the Year Ending December 31, 203

Audit Committee MINUTES of the Meeting - APRIL 26, 2024

# Metro Global Holdings Corp. MINUTES OF THE MEETING Venue: Mezzanine Floor, MGHC Board Room, Renaissance Tower F, Meralco Avenue, Pasig City

APRIL 26, 2024 3:30 AM TO 4:30 PM Present: FCG, RSR, SSA, RGJ, Alwin Rivas JWS, Dennis Malco, Ms. Liezel – attended virtually

AGENDA: Audit Com's review and approval of Revised Consolidated MGHC's Financial Statement for the Year Ending December 31, 2023 (including Metro Solar)

### Audit Committee MINUTES of the Meeting – MAY 13, 2024

# Metro Global Holdings Corp. MINUTES OF THE MEETING

## Venue: Mezzanine Floor, MGHC Board Room, Renaissance Tower F, Meralco Avenue, Pasig City

MAY 13, 2024 at 11am -12 nn Present: FCG, JWS, SSA, RGJ, Alwin Rivas Virtually: RSR

AGENDA: Audit Com's review and approval of MGHC's Financial Statement for the 1<sup>st</sup> Quarter Ending March 31, 2024 (including Metro Solar)

## Audit Committee AGENDA of the Meeting - AUGUST 12, 2024

Metro Global Holdings Corp. MINUTES OF THE MEETING Venue: Mezzanine Floor, MGHC Board Room, Renaissance Tower F, Meralco Avenue, Pasig City

AUGUST 12, 2024 12:30 PM TO 1:30 PM Present: JWS, FCG, RSR, SSA, Alwin Rivas Not Present: RGJimenez

AGENDA: Audit Com's review and approval of MGHC's Consolidated Financial Statement for the 2<sup>nd</sup> Quarter Ending June 30, 2024 (including individual FS of its Subsidiaries)

Audit Committee Minutes of the Meeting - NOVEMBER 7, 2024

# Metro Global Holdings Corp. MINUTES OF THE MEETING Venue: Mezzanine Floor, MGHC Board Room, Renaissance Tower F, Meralco Avenue, Pasig City

November 10, 2024, 10:30 AM TO 11:30 AM

AGENDA: Audit Com's review and approval of MGHC's Financial Statement for the 3<sup>RD</sup> Quarter Ending September 30, 2024

# (i) Directorship in Other Companies

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non- Executive, Independent). Indicate if director is also the Chairman.
Noel M. Cariño	Fil-Estate Management, Inc., Fil-Estate Development, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation, Chamber of Real Estate and Builders Association (CREBA), SunAsia, Inc., Nortesol Inc., Nortesol II, Inc., Nortesol IV, Inc., Newasia Power Energy Corporation, Newasia Power Energy II Corporation, MegaWatt Solutions, Inc., Leon Philippe Industries, Inc., Fil-Estate Core, Inc., Acesite Phils. Hotel Corporation	NED
Jaime M. Cacho	Metro Countrywide Corporation, Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, CJH Development Corporation and MRT Development Corporation	NED
Roberto S. Roco	Fil-Estate Realty Corporation	NED
Francisco C. Gonzalez	Romago Corporation, Fabriduct & Metal Systems, Inc., Romago, Inc., Guam and Electro Mechanical Products International, Inc., Asia Pacific Golf Cars Corporation, The Manila Southwoods Golf & Country Club, Inc., and Camp John Hay Golf Club, Inc.	ID
Jose Wilfrido M. Suarez	Northernmanor Corp. and Northernsuites Corp.	ID

# (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

# Self-Assessment for Committee Chairman and Members

# Back to recommendation Annex "11"

# I. CORPORATE GOVERNANCE COMMITTEE

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	METRO GLOBAL HOLDINGS CORP. CORPORATE GOVERNANCE COMMITTEE SELF-ASSESSMENT WORKSPEET					Company						_				
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3.6 The Connectine has full access to management, perconnel and occurds of the Company and its satisfuries for the performance of its decise and responsibilities. The Committee may also obtain external, legal control or independent professional advice of a considerati necessary in the performance of its functions.

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### 3. Duties and Responsibilities

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5.1 The Controlling oversees the implementation of the corporate generators for some kand periodically services the soul framework to ensure that it remains appropriate in light of remained cromples to the Company's take, complexity and because strategy, as well as the business and equilibrity environments.

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3.3 The Committee extrans that the results of the Board evaluation are shared and flacassed to address the identified areas for improvement.

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3.11 The Committee ensures that the full business interest Discissare is accomplished by directors and key officers, which arong others, compare them to dochers all their existing business interests or shareholdings that may directly or indirectly conflict in the performance of their datas.

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3.12 The Committee reviews the Company's policy on conflict of internet.

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5.14 The Controlices eviews and recommends to the Board all presentions and oppearances all the officers of the Company.

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3.15 As a decens necessary, the Committee reviews the Company policies on prototion and carent advancement directives and compliance of personnel concerned.

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#### In respect of maximum planning:

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3.16 The Constitute essains the adaption of an offlictive succession planning program for directors, key officers and management to mean growth and a continued increase in charmolder value.

3.77 The Contraction of a process in appoint competent, professional, honest and highly instituted management officient of grant with the strategie direction of the organization and who can add value to the Company.

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In respect of Board northeaton and election:

8.18 The Committee determines for normination and election process for the Company's discovers and her the special daty of essaying appropriate herewisege, competencies and experiment the existing skills of the Board.

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3.22 The Convertise reakes reasonable to the Based from time to thus, or to chargen which the Convertise believes desirable to the size of the Board, including the establishment of geodelines in the norther of developing which a member of the Board new bold in accordance with the policy on heiding endigite board usate under the Marsel on Corporate Governance.

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3.21 Die Cummitee perform other duites and activities that the Committee or the Daued considers appropriate in the central of the Charter of the Corporate Governance Committee.

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### 4. Reporting Provess

4.1 The Chairperson of the Committee, or in his/her absence, the members elected by the members present in a mineting, separation the Board on the decisions and recommendations made by the Committee following such smoothy.

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8.2 An annual report of the Consentation's activities is prepared, which may be included in the Company's annual report.

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2.6 The Committee has full access to management, personnel and seconds of the Company and its subsidiaries for the performance of its duties and responsibilities. The Committee may also obtain esternal legal counsel or independent professional advice if it considersit necessary in the performance of its functions.

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2.7 The Committee is provided with sufficient measures by the Company to divelopp in dates.

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### 3. Duties and Responsibilities

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3.2 The Commission oversets the periodic performance evaluation of the Board and its commissions as well as executive management, and conducts an annual self-evaluation of to performance.

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# METRO GLOBAL HOLDINGS CORF. L'ORPORATE GOVERNAME COMMITTEE SELF-ASSESSMENT WORKSHEET

NAME ROBERT JOHN L. SOBREPERA

TIATE 25 April 2025

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## 2. Strutture and Operations

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## 3. Daties and Respinsibilities

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in respect of country, good corporate government throughout the organization.

3.1 The Connective converses the interestination of the corporate governance iteratives and periodically reviews the stud horsework to ensure that it remains appropriate in light of material charges to the Computy Syster, complexity and business strategy, as well as its facenasis and segulatory environments.

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2.3 The Committee reviews that the resolve of the Brand evolutions are shared and discussed to address the identified areas for improvement.

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In supply of the transmission of corporate officers and discusses.

3.7 As it deeps necessary, the Committee reades recommendations to the Board on the Contours's policy and insustant for recommendation of directory and sector management rule is aligned with the languiners increases of the Company.

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3.11 The Committee groups that the Toll Radius a lawrent Disclosure is accomplished by streeting call key officers, which among others, congels then to declare all their meeting beined imments of shareholdings that may likely or industry careful in the performance of their duties.

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2.12 The Committee reviews the Company's policy on conflict of interest.

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Regulation and here	ons for its office policies i concern	s periornel, wist list, promittie o	rengthen the peo- tult clietter advan	dirioti an coeffi-	t of intrast, and compl

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3.11 The Connection reviews and measurements to fee Search all proversions and appointments of the offliers of the Company.

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3.17 The Contribute ensures the implementation of a process to appoint overpotent protoneous, board and highly motivated management officien aligned with the straingle. dynamics on or the organization and who can add volue to the Company.

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3.22 The Construction makes recompendations in the Brand form time to time, as to changes which the Construction Induces desirable to the size of the Board, including the multidotenest of gashelines to the norther of itercoverlaps vehicles a member of the Board may load an accordance with the policy on leading multiple board costs under the Manual as Corporate Oscordance.

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# 4. Reporting Provent

4.1 The Champroon of the Committee on in fairlier of second, the interfere elected by the northern private in a receiving, introducto the Board on the decisions and recommendations made by the Committee following such moting.

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+2 An annual report of the Committee's activities is prepared, which may be uncluded as the Company's annual report.

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5.2 The Charter of the Corporate Townmans Convention is reasoned annially and updated is required.

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#### METRO GLOBAL ROLDINGS CORP. CORPORATE GOVERNANCE COMMITTEE SELF-ASSESSMENT WORKSHEET

NAME ATTY, FERDINAND T. SANTOS

DATE: 25 April 2025

This Board Committee Self-Assessment Worksheet is intended to assess tail improve the performance of the Corporate Governance Connectives in accordance with the Company's Marata on Corporate Governance and Chartar of the Corporate Governance Connectives. Kindly accomplish this form by <u>endeding</u> the item that assessment to your answer using the following entertrice.

- 3-Straigly Agent
- 4 Agree
- 3 Neither agree nor disagree 2 - Disagree
- 3 Strongly Divagent

A remarks column is also provided for further committee, if necessary

#### 1. Membership and Qualifications

1.1 The Corporate Governance Goundation has a indefense of three (3) voting encoders of the Based.

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1.2 Majority of the Committee membra are independent Directory, including the Charperson.



- Conservator:
- 13 The Chairperson and the disector-neerbors of the Committee are appointed by a majority vote of the merchanism of the flowed constraining a queries either theiring the Organizational Board Monteg of the Company, or if there is a second, during any meeting of the Board constituting a queries.

## 2. Structure and Operations

2.1 The Controlmer musts as each times and places as it consulars appropriate, but to low that now (2) lines a year - one of which shall be held in initiate the conduct of the periods and soliteness ensure of the periods and model, bit individual discover, its different heard outerintees and management, including the President of the Company's and the other meeting to be held prior to be finalization of the Company's information means incomments with any meeting of the receiver of the Company's information means in commuters with any meeting of the receiver in which the discuss of the Company's not the Company's not the Company's not the Company's not be decided.

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2.2 The Committee and only on the affirmative vote of a least a majority of the escribem generat at a meeting at which there is a queries. [Attendance of celean two (2) Countries remoters another that a queries for the Countries to transact backwar.]

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2.3 The Chairperson of the Control tee panides in all random restings of the Control tee. In the absence of the Control tee Chairperson, the Committee marshers are chairperson of the meeting.

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nation of each no more of the Const to retice includes t	mittee of least	two (2) working	days prior to the	date of the most
a sence decider t	2	3	4	( <sup>3</sup> )

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2.5 As necessary, the Committee may invite members of management and organization staff of the Company and any of its subsatilaries, to attend the Committee meeting and previde partisent information and data. At the documents of the Committee, separate meetings with any members of the Company's or its subsidiaries' management may be hald, whenever it is downad appropriate by the Committee for the exercise of its lanctions.

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2.4 The Committee has full means to management, personnel and records of the Company and its subsidiaries for the performance of its duties and responsibilities. The Committee may also obtain meterized legal courses or independent professional selvice if it considers it receivery in the performance of its functions.

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2.7 The Coounities is provided with sufficient resources by the Company to discharge its datases.

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## 3. Duties and Responsibilities

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3.1 The Computers oversees the implementation of the component governance fluency-ork and periodically, reviews the unit forenances to essare the it remains appropriate in light of material changes to the Company's size, complexity and basiness realegy, as well as to basiness and regulatory arcitectments.

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3.5 The Controlities ensures that the search is if the Board evaluation, are abared and discussed to address the identified areas for improvement.

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3.7 As a doorw necessary, the Committee multes recommendations to the Board on the Company's policy and structure for nonunaration of directory and series management that is aligned with the long-term intercore of the Company.

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3.22 The Committee makes accommendations to the Based from time to time, as to changes which the Controlling believes desirable to the size of the Bord, including the establishment of geldefices in the reactive of denotorphips which a member of the Based may hold in accordance with the policy on building multiple board usual under the Manual on Corporate Orientance.

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3.23 The Committee performs other daties and netwikes that the Committee or the Board considers appropriate to the control of the Charlor of the Corporate Geometrice Committee.

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## 4. Reporting Protocol

4.1 The Charperson of the Contributer, or in Xie/her absence, the member elected by the members present in a meeting, reports to the Roard on the decisions and measurementations made by the Contribute following each reacting.

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4.2 An annual report of for Consultan's activities is prepared, which may be included in the Company's sensed report.

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Only, ATTY FERDINAND T. SANTOS

Signature aver privated merce



## METRO GLOBAL ROLDINGS CORF. CORPORATE GOVERNANCE COMMITTEE SELF-ASSESSMENT WORKSHELT

NAME ATTY. ALICE ODCHIGUE-BONDOC

DATE 25 April 2025

This Board Committee Solf-Assessment Worksheet is intended to assess and improve the performance of the Corporate Government Committee in accordance with the Company's Manual on Corporate Government and Charter of the Corporate Government Committee. Kindly accomplish this form by <u>engineeing</u> the item that corresponds to your univer using the following entires:

39	- Secondly Agree
4	Agen
3	Norther agree hor disagree
25	Disagree

1 - Strongly Disagram

A remarks column is also provided for further communa, if necessary

## 1. Monitorship and Qualifications

1.1. The Corporate Governmere Constitutes has a minimum of three (3) voting members of the Board.

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1.2 Majority of the Cannotine members are independent Directors, including the Charperon.

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- Comments: -
- 1.3 The Chairperson and the disactor-marchen of the Committie are appointed by a majority vate of the marches of the thoust socializing a sporter either during the Organizational Board Meeting of the Company, or if there is a second, during any meeting of the Board commuting a querom.

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## 1. Structure and Operations

2.1 The Contenties events at such times and places as it considers opprepriate, but no less than you (2) times a year - one of which shall be held to induce the produce of the annual self-conservation of the performance of the Board as a body, is, well-shall directors, the different board consumences and examplement, including the President of the Foreignery, and the other tracking to be held prior to the finalization of the Company's influences the transport of the foreignery of the transport of the company's influences of the Company's influences of the Company's influences of the Company are to be decled.

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2.2 The Controlled detainly on the affirmative vote of a load a majority of the manipers present at a meeting at which there is a queries. *J Alimediance of at load two (2) Committee mentions constitutes a queries for the Committee to instance borneas.*]

2.3 The Optimizeroo of the Derevities periodice in all montage of the Connection. In the absence of the Connection Charperson, the Committee momentum present attact one (1) of the members is Charperson with the meeting.

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2.4 A notice of each resetting confirming the data, time, remain and agenda is sent to each matches of the Corrections at least two (2) working days prior to the chine of the matring. The notice lockulars he agenda items and materials to be taken up during the matring.

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2.1 As necessary, he Controlites may invite members of management and organization and of the Computer and any of its solutidiaters, to attend the Controlites isorting and provide pertinent information and data. At the dissertion of the Controliter, separate meetings with any member of the Company's or its solutidiation, management may be held, wherever it is downed appropriate by the Controlite for the execution of the functione.

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2.8 Her Committee has full accurate to management, personnel and accords of the Company and its autoidates for the performance of its duties and responsibilities. The Committee may also obtain accurate legal connect or independent professional advice if a considerati, successive of the performance of its functions.

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2.7 The Company to discharge its future resources by the Company to discharge its fatters.

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#### 1. Datissand Responsibilities

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3.1 The Contrictual oversate the implication of the component poverturing therework and periodically reviews the calid funnesses to ensure that it sensities appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its functions and regulatory antiversities.

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3.2 The Committee oversees the periodic performance evaluation of the board and its convoltance as well as executive management, and conducts an annext settle-suburden of its ordiformance.

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3.1 The Committee process that the results of the Board mailanteen are shared and discussed to address the identified areas for improvement.

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3.4 The Committee adopts corporate governance policies and essane that these are invited and systemic regularly, and consistently implemented in form and subsects.

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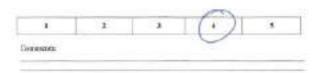
2.3 The Committee proposes and planarolevant seminary for the mambers of the Board.

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3.8 The Constitution strikers and approves the Arman Corporate Government Report and other submittedams or fillings of the Company, as may be required by applicable lases or superstations.

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- in respect of the remainments of corporate officers and develop-
- 3.7 As it durin receiving, the Consultant makes accommodations to the Board on the Company's policy and structure for networking of directors and series management that is aligned with the long-term interests of the Company.



3.1 The Committee provides oversight over remeasuration of senior management and other key personnel converse that remeasuration is consistent with the Company's exitant and mategy, as well in the battisets environment a which it operates.

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3.3 The Constitute subspace that the Company's second reports and inflationalise contentions provide a clean, consists and understandable disclosure of compensation that was and may be poid, directly or indirectly, to its directors and senior espective offliers for the previous flued year and the ensuing year.

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Consent			$\bigcirc$

3.10 The Contrainton ensures that no dilector is involved in deciding his or har own nemularation.

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Connent:				C

he respect of the hurdress interest dischargers and coefficiently interest.

3.11 The Consister ensures that the Full Basisters Internal Disclosure is eccomplished by directors and key officers, which among others, competitioners to declare all devices international basisess interests as shareholdings that may directly or indirectly conflict in the performance of their dottes.

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Constanting .		

3.12 The Committee reviews the Company's policy on conflict of interest.

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P-08011	mmente				

3.13 An it downs successry, the Committee reviews the uninferg Company Roles and Regulations for its personnel, to strengthen the previsions on conflict of interest, talaxies and bunchla policies, promotion and career advancement detectives and compliance of personnel concurred with all sustainty segularments that must be parasitionally net in their respective points.

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Deservation of concert sufficiency and

3.14 The Committee reviews and recommends to the Board all promotions and appointments of the offlicers of the Company.



- Comments
- 3.15 As it down accessary, the Committee seviews the Company policies on promotion and mean advancement directives and compliance of personnel uncertoed.

		( + )	- 8
		-	
Committees:			

## Interpret of succession planning.

3.16 The Constitute cusars the adoption of on officities succession pleasing program for directors, key officient and management to ensure growth and a contrasted increase in characteristics value.

1	2	3	( + )	4
Connewalli				

3.17 The Contribute sensitive the implementation of a process to appoint comparent, preferational, bosons and highly mediated susapproves offlows aligned with the strategic distances of the organization and who can add volum to the Company.

Commenter	1	2	3	$(\cdot)$	\$
	Commentat			$\sim$	

## In respect of Board nonineaton and election-

3.08 The Committee determines the notification and election process for the Company's directory and has the special daty of enaming appropriate betweetigs, completences and experisor that complement the uniting daths of the Roard.

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The Committee Dection as additi deation of medi-	end directors or additional or re-	to fill Board va	catcies in and	
The Committee Section as additi Section of medi	end directors or additional or re-	to fill Board va	catcies in and	when they arise. Th
The Committee Decision as addition decision of mode opticable favors as 1	end directors or additional or rej ni regulations	r to fill Board va Pavement Vitracio	caricles in and in shall be doe	when they arise. Th
oberliver an additi oberliver of much applicable larve at 1 Comments The Communic	end discoses or additional or re- nd regulations 2 ensures that the qualifications are	Company frame	catties in out to shall be doe 4	when they arise. Th
The Committee Social an addition of the social social generation of mode against the social generation of the Committee Directory with the	end discoses or additional or re- nd regulations 2 ensures that the qualifications are	Company frame	catties in out to shall be doe 4	when they also. The s is according with

3.22 The Consultae makes moreovenerable on the Board from time in Jino, or to chargen which the Consultae believes écliente to the size of the Board, including the establishment of guidelines in the number of directorships verich a reamber of the Board may hold is accordance with the policy on healing multiple loans under the Manual on Corporate Governments. 8 2 3 4 4

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The Contribut p considers approp Essentities.				
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Reporting Proces	of the Committ			
The Chaleperson	of the Committe a sameting, rep-	ets to the Dound o		

4.2 An avoid report of the Committee's activities is prepared, which easy he included in the Company's annual report.

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		6.7		

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	Consents			
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5,	Performance Evaluation			

5.1 The Committee accesses its effectiveness particularily, with a view to ensering that its performance accords with best practice. Such accesses in an unspace its performance with the requirements of the Chatter of the Cooperate Governance Committee, which that to be basics of its formulation of objectives and plane to improve its performance, its halling any recommendations for senandrosets to the Charter for opproval by itselfcand.

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lonmentic				

5.2 The Charter of the Corporate Governance Control to teviewell annually and updated as required.

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Conservation						
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ATTY. ALICE ODCHIGGE-BONDOC

Signature over printed runns



## METRO GLOBAL HOLDINGS CORP. CORFORATE GOVERNANCE COMMITTEE JELT-ASSESSMENT WORKSHEET

#### NAME RAFAIL & PEREZ DE TAGLE, JR.

DATE: 25 April 2025

This Board Committee Self-Assessment Workshot is intended to assess and improve the partitionance of the Comparis Government Committee in accordance with the Compary's Marmal on Corporate Governance and Chatter of the Comparise Government Containing Kindly accomplish this form by <u>encloying</u> the stem that corresponds to your answer using the following meeting

3.	Stongly Agree
4-	Aaree
ъ	Norther agree user disagree
2.	Dicagone
1-	- Strongly Datagree

A remarks column is also provided for further comments, if increasely

- 1. Mambership and Qualifications
- The Corporate Governments Committee has a minimum of show (3) voting mendicity of the Board.

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1.2 Magnetty of the Committee members are independent Directory, including the Chargerson.

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CONTRACT	

1.3 The Chargerson and the director-members of the Committee are appointed by a magnity visit of the membras of the Boost constituting a queen order during the Organizational Board Meesing of the Company, or if there is a variancy, during my meeting of the Sourd reconstruing a queena.

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	· .	

#### 2. Structure and Operations

21 The Committee speech at much times and places or it committee appropriate, but as less than two (2) times a year – one of which shall be held to minute the conduct of the annual tell-subsequents of the performance of the Board as a body, we indexdual detection, it is different board constitutes and minorgenesis, actualized of the Company's information measures in the anisotron of the Company's information measures in the anisotron of the Company's information measures in consistence with any meeting of the modifielder in which the lawrence of the Company are to be eleved.

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Comments				

2.2 The Commune any only on the affirmative wave of at least a wayney of the members, proceed at anisoting at which there is a quorum [Attackness of to become [A] Commune members interthese a quorum for the Commune to wave at bacteria.]

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13 The Changerson of the Committee presides in all montings of the Committee. In the absence of the Committee Chargersten, the Committee membran present elect our (1) ed. the members as Chairperson of the meeting.

Community A notice of each meeting confirming the date, time, versue and agreeds in cent manuface of the Commutates at loast two (2) working days grice to the date of the a The notice michales the agreeds items and materials to be taken up during the meeting	- Cit		8			
canabler of the Committee at least two (2) working days price to the date of the a	ouncestate:					
member of the Committee at least two (2) working days price to the date of the a	10102201					-
member of the Committee at least two (2) working days price to the date of the a						-
canabler of the Committee at least two (2) working days price to the date of the a	antice of each	menting confirm	ing the date, tip	e, result and age	ndo in seat ta	100
The notice includes the agenda items and instemation or taken up during the inserts	anaber of the Co	numines at least	two [2] weeking	days price to the	date of the and	sting
	the notice utclude	the agendance	to claimercan back of	io pe rayso alb gras	ing the meeting	1

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Connents.			

As necessary, the Committee may invite meablest of management and segmentation staff of the Company and any of its schedulings, to strind the Committee meeting and provide 2.5 perturent information and date. At the discriming of the Committee, separate meetings with any member of the Company's or in rebuildness' management may be held. viamever it is decined appropriate by the Committee for the exercise of its functions.

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Countrats			

2.6 The Commutee has full access to management personnel and records of the Company and its subsidiaries for the performance of in dates and respectibilities. The Committee may she obtain extensil legal connell or independent professional advice of it considerati necessary in the performance of its functions.

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Canatericity.

3.2. The Committee oversees the periodic performance evaluation of the Board and its committees as well as extentive minagement, and conducts so mutual self-evaluation of ata performance.

and the local sectors in the l		

3.) The Committee currence that the receipts of the Board evaluations are shared and discussed to address the identified areas for improvement.

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87		i contacto bas y	for responses	recommendations as of dipestors an Company								

In respect of the business interest disclosures and coefficit of interest.

3.1.1 The Committee ensures that the Fall Bounces Interest Duclosure a accomplished by directors and key affices, which among other, compet them to decline all their extering basiness interests in alareholdings that may directly or indirectly conflict in the performance of their dates.

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3.12 The Committee reviews the Company's policy on conflict of interest.

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3.1.1 Ar at domain accumulary, the Commutes externs the contrary Company Rules and Bugslations for its personnel, to strengthen the provisions on conflict of interest, solution and bundlin policies, promotion and cover advancement directive and compliance of personnel concerned with all interesty requirements that near be periodically not in their memorizing policies.

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3.14 The Committee reviews and recommends to the Board all promotions and appointments of the officies of the Company.

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6.18 The Consister determines the nonminion and elemen process for the Company's directors and has the special day of econing appropriate broadedge, competencies and experime that complement the conting shifts of the Board.

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The Committee election as addin election of such applicable laws as 1 Comments. The Comments	end director o additional or re- of republicants 2 tunors that the galifications on	to fill Bond va phromet directo 3 Compray las t dinote of the day	excise as and wh to chall be draw in the sequent same	en they mus a accordinges 5 er of heispes

- 3.12
   The Committee middle recommendations to the Board down time to time, as to changes which the Committee believes downlike with size of the Board, including the establishment of guidelines in the number of directivitings which is member of the Board and Committee Board on Corporate Covernance.

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   Comments:
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   Othery
   3.23
   The Committee performs other dates and activities that the Committee or the Board
- 3.22 The Committee performs effort dates and activities that the Committee of the Double econders appropriate in the context of the Charter of the Corporate Governance Committee.

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	1.1.1.2			

# 4. Repetting Process

4.1 The Competence of the Committee, or in his/her absence, the member elected by the members present on a meeting, separa to the Baardon the decision, and tecommendations made by the Committee following each meeting.

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ORGEN PHE IS			

42 As annual sport of the Committee's activities is prepared, which may be included in the Compares/s annual report.

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Performance Evaluation	98
The Committee assesse	is its effectiveness periodically, with a view to essoning

5.1 The Committee access in effectiveness periodically, with a view to ensuing that in performance accerds with heir pendine. Such accessively must compare in performance only the reprisements of the Ukates of the Corporate Gevenance Committee, which shall be the bean of in formalizing address of adjectives and place to inprove in performance, including any recommendations for animalizen to the Cluster for approval by thePlaceh.

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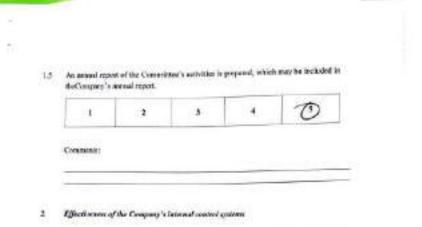
VII RAMARL R. PEREZ DE TAGLE, JR.

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# II. AUDIT COMMITTEE

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	3 - Neither ag 2 - Disagner 1 - Strongly 1							1	1	3		$\odot$
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present The Committee reviews of interim and stand financial statements against its compliance with periment Hologene and transmittenily accupied accounting standards, internal financial management, in well as int, legal and other regulatory requirements before solveringion to the Board.		internal	1.4	The Chaisperson of the Committee, or in his/her absonce, the member elected by members present in a meeting, reports to the Dourdon the decisions and recommendate made by the Committee following much working.								
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12			anogeneral and the refered, any material					2				



2.2 The Committee may obtain, seview and consider reports, communications and analysis submittee to the Committee by management, and the internal and external audices of the Company, on financial and internal controls and systems of the Company, and these required by the applicable auditing or accounting standards.



Connerts.

2.2 The Consolute may obtain, review and consider reports, communications and analysis relating to significant or ortical financial reporting and internal control issues and practices, including weaknesses and deficiencies noted in these systems, processes and practices.



CONSCRET:

1.3 The Committee may obtain, review and consider reports, communications and analysis relating to the external auditors' responsibility under applicable auditing or accounting standards.

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Cimments:

2.4 The Committee may obtain, review and consider reports communications and analysis relating to significant accounting policies and practices, and changes in such policies and practices.

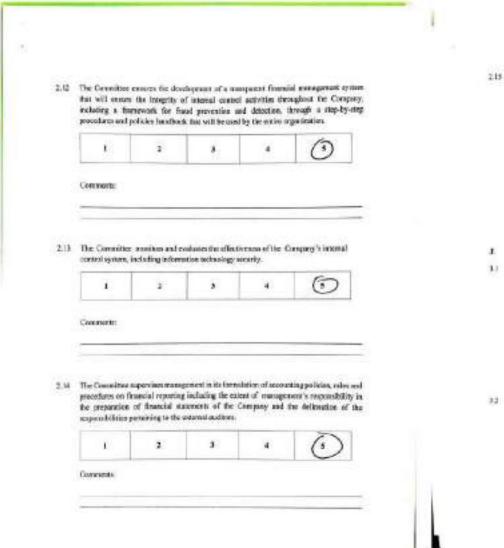
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Contents

25 The Committee may obtain, mview and consider reports, communications and readynic refering to management's (adgments and accounting entirement).

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2.8	The Countries relating to adjust	may obtain, revi mente articleg \$0	ins and consider records.	npora, contra	wikations and anab		i	1	э	4	0
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27	The Committee	nue obtain, an	iev and comilder	ospertis, consitu restogement au	arizations and analy	2.10	The Committee relating to any accounting reco events.	material queries	view and consider s raised by the au- courts or systeme	dizes to merag	emant in respect
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2.15 The Committee understands the scope of the internal and external auditors' severe of internal controls over framewish reporting, ensering the independence of our firms the other, fundam from interference from netside parties, orientricted second is such records, personnel and properties of the Company necessary to enable them to perform freie respective functions.

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Commente

I. Independence and performance of its Internal and external auditors

The Committee, superlaw with exercises and the head of lotensil Audit, sevices the qualifications of or internal auditor and the charter, activities, and organizational structure of the instant such function.

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Comments:

3.2 The Committee confirms or has the autority to confirm the apprixment or replacement by management of the head of the Internal Audit Group. The head of the internal Audit Group functionally reports disordy to the Committee.



Comparis

3.3 The Committee neviews and confirms the samuel andit and strategic plans prepared by Company's Internal Audit Group is consultation with management, and reajor changes to the plans, if one.

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1. 20 1	<u>.</u>	 Z:	0

Commercial Commercial

3.4 The solid plan of the Internet Audit Group includes the sadit scope, resources and badget necessary to implement it.

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Contractili:

3.5 The scope of the internal autik currentiation proves the evolution of edergoncy and effectiveness of controls on government, operations, information systems, protection of ansets, and compliance with contracts, how, rules and regulations.

2

Convent

3.6 The Committee reviews significant findings and recommendations of the Internal Assist Group and management's response thereto including a timetable for implementation to correct weaknesses, and any difficulties encountered by the auditors in the course of their suffit (such as restrictions on the scope or access to information).

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Comments

3.7 The Internal Audit Group is required to solven't or present an annual report to the Committee and management of its activities and performance solarizer to the audit planes, samplesed sodil magagements and managine approved by the Committee, which shall include significant risk expresses, control issues and such other issues an may be expanded by the Committee.

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Commune

3.8 The Control new supports the internal and it function and provides high-level follow-up of much recommendations when such action is needed.



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5.8		-	41.	

Conners:

3.9 The Contribution reviews or has the opportunity to review the effectiveness of the lowered auch function, including compliance with the International Standards for the Professional Practice of Internal Auditing.



Conments:

210 The Convertue makes or has the apportunity to make mechanisations to the Board on the appaintment, reopportunity and removal of the external sublices, so approve the remonenties and serves of engagement of the external sublices, and to mise any questions on the resignation or dimensional factor auditors.

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Constitute

3.11 The Consultate parliams in function to account and monitor the 10 external auditors' professional qualifications, competence, independence and objectivity, and require the external auditors to make the cuternation necessary under applicable auditors as regards its relationship and services in the Company, discussing any minimisity or aervices which rung designate its subproduct or objectivity; and (ii) the effectiveness of the audit process is accordance with agplicable standards.

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3.12 The external sudiers of the Computy give assurance that the consist of the and it and the manner of the preparation of the firmedial sufferences comply with applicable and the standards and rules of regulatory bodies, including contarges on which the Company's including an Inset.

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Comments:

3.13 The Controlled reviews and approach the nature and scope of the andit place of the external auditors, its hading scope, solid resources and expenses, and suportingobilgations before the andit commonces.

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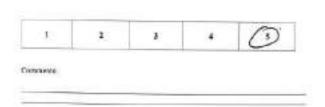
Competit:

3.34 The Committee reviews the reports or communications of the external auditors, and compare that management or the Board will provide a threly response to the issues mixed in such reports or communications.



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	work, including t	of pelicito on th he five payable t	c cogagistant o harefor, and evo	f conternal audit feate any removal	ora to supply non-multi afit over anthorators by its and/c functions.	41		reviews the result compliance (inclu			and follows up
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	to the Company	is changed every	five (5) years or		autiting firm engaged	43	well as internal	ad exernal and it	s, it esp.		
	Is the Company I Company Company Company Complement Age regularisation for	2 2 the Composity tasking the Comp	Den (S) years or 3 Hold Accessed Name 'n Accessed De opportanty	tarilie: 4 ty stendards, ty policies and p to essertain wh		43 5	Connents	ad exernal and it	3	4 nd annous she	Gamman a ris

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5.1 The Committee has the power and authority to conduct investigations, and consider and sodie recommendations whating to any communication or report reformed to it under the Whistleblowing Policy procedures of the Company, or rolating to any find any of major investigations on internal control or financial reporting matters as delegated by the Board or on the Committee's own initiative, and management, sequences.

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£	2	3		15

Consists:

5.3 The Committee may obtain, arview and consider reports, communications and analysis, relating to the detection of finual and illegal acts affecting the integrity of internal controls and financial reporting systems and processes, and which cause a material manufacturem in the financial statements of the Company.

2 3 4 Convertex.

5.4 The Committee ensures that the Company has established risk management policies and procedures, and discusses with management and the internal andlier such policies and procedures adopted, particularly three relating to risk identification, assessment and management of accounting, internal accounting costools, andking or fivoxial separing matters.



Comments

5.5 The Committee regularly evaluates the adoption and effectiveness of management's activities in managing credit, mories, liquidity, operational, legal and other risks of the Company, including receipt of negative reports from management on risk exposures and data management activities.



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#### NETRO GLOBAL BOLDINGS CORP. AUDIT COMMITTEE SILE-ASSESSMENT WORKSHEET

HAME JOSE WILFRIDO N. SUAREZ

BATE: 25 April 2025

This Board Committee Self-Assessment Workolnest is intended to masks and improve the performance of the Audit Constraints in accordance with the Company's Manual as Corporate Government and Charter of the Audit Committee, Kindly accomptish this firm by <u>encirching</u> the tien; that corresponds no year answer being the Mahwang catasta:

5 - Strongly Agree

- 4 Agree
- 3-Neither agree sor distgree
- 2 -Disagros
- 1 Strongly Disagno

A remarks column is also provided for further completion, if accounty-

- Quality and integrity of the Company's Journal statements and foundal reporting process.
- 1.1 The Constribute reverses all interest and annual ferrorest statements against its compliance with persistent Phyliopsian and insurtationally accepted accounting attackeds, internal financial management, as well as tax, high and other regulatory maskeements before enthropion to the Roard.



1.2 The Controlities reviews with management and the evident landson the results of the audit, backeting any difficulties encountered, any material arrive under final initial fluid, annual or complex immunities will other invest wernating the attention of the Committee, and receives any disagreements between management and the external auditors regarding Transition reporting.

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Constants:

1.3 The Committee reviews with management, internal auditors and the external auditors all matters required to be communicated to the Controlition and/or generally accepted auditing moderds.



Comments.

1.4 The Unarparation of the Committee, or in his/her observed, the members elacted by the weathers primert in a massing, separate to the Board on the doct tients, and incompanyilations, made by the Committee following such massing.



Community.

1.5 An annual report of the Contribution's activities is prepared, which may be included in the Company's annual report.

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mountei			

# 2. Effectiveness of the Company's internal control systems

2.1 The Convenience may obtain, sevices and consider reports, converses/cations and analysis raborated to the Convertine by management, and the internal and external and/our of the Company, on flatancial and internal controls and systems of the Company, and these socioned by the applicable and ling or accounting dandards.

1	2	3:	4	181
			122	1.00

Comments

2.2 The Committee may obtain, evices and consider reports, aneremenication and analysis soluting to significant or critical fitosettial reporting and internal context insize and proteors, including weaknesses and deficiencies noted in these systems, processes and practices.



#### Considerate

2.5 The Convertice may obtain, miles and consider reports, conventionilation and analytic relating to the ectornal and/new' responsibility order applicable soliting or accurating mediate.

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#### Committee :

2.4 The Convertiese may obtain, review and contrider teports, communications and analysis violating to significant personning policies and practices, and changes in such policies and ynatises.

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#### Commerce.

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2.5 The Constitution may obtain, motion and constitute reports, contamanications and analyzes relating to management's judgements and accounting estimates.

1	2	3	0

Conservation

1.6	The Committee may obtain, review and consider reports, communications and analysis
	solution to adjustments arising from padly.

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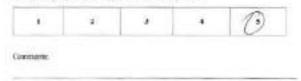
Comminter

2.3 The Committee may obtain, environ and consider reports, communications and analysis soluting to only material communications between management and the external auditors, ischalling management letters.

1 2 3 4 5			1.		1. 2.4
	8	2	3	4	(8)

Connentri

2.8 The Committee may utility, evolve and manifer reports, communications and analysis relating to any significant disagreements with management.



2.9 The Convertise may obtain, review and consider reports, communications and analysis whiting to difficulties in the audit or southietices in the audit access, and access to information.



Commente

2.10 The Committee may obtain, seview and consider reports, commerications and analysis multipling in any multipling queries review by the authors to management in respect of the accurating records, financial accurates or systems of covered, and reasugement's respector firmers.



Customers

2.11 The Convertise may consider and make non-enterdations relating to any communication or separt by regulatory approximation relating to the Economic distinguish the Company, and presents that management unitertakes connective actions, where economic, in a likely minute.



#### Comments:

2.12 The Controllars viewers the development of a transportert function immegement system that will mean the tangetig of internal control activities throughout the Control y, including a framework for fixed provention and directure, introduct a step-by-step precedures and policies hundhesh that will be used by the write experimentation.



Consecution

2.13 The Control test must test and evaluates the effectiveness of the Company's internal second system, including information stabiology security.



Greently

2.18 The Committee supervises management in its Scenalation of accounting policies, rules and procedures on financial reporting bolding the extent of management's responsibility in the proposition of financial statements of the Company and the definitions of the responsibilities penalising to the external software.



2.15 The Correction understands the sample of the internal and eccentral auffrond review of internal controls over feneration spectra, ensuring the independence of one from the other, breaches from interference from entroise parties, uncontrasted access to such records, personel and properties of the Company reasonary to esable there to perform their maperities functions.

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Community.

1. Independence and performance of its barreal and external auditors

3.1 Hie Consultan, segreter with management and the head of internal Audit, reviewe the gualifications of an internal auditor and the charact, activities, and organizational erracture of the internal audit function.

					- 210
4 14 1/2 14 1/22	1	- 2	2.05	1.4	1.62

LANDONE

3.2 The Committee confirms or his the authority to confirm the appointment or replacement by management of the head of the laternal Audit Group. The head of the Internal Audit Group functionally report directly to the Converting.



A
The Committee reviews and continues the serveal south and intraspic plaze prepared by Concerned Interest built Group is a contribution with memory and make shown in the

3.3 The Committee reviews and continue two associal audit and inmergic plane prepared by Compared's Internal Audit Group is consultation with management, and major changes to the plane, if any.

2	3		(3)
	2	2 3	2 3 4

Communitati

CHUNKER

3.1 The aufit plan of the internal Audit Group inclusion the multi-sample, resources and hadger secondary to implement it.



3.3 The scope of the internal walls examination covers the evolution of adequacy and effectiveness of controls on governator, operations, information systems, protection of more, and compliance with contracts, low, rules and regulations.



Commercial

3.6 Use Contrastise reviews significant findings and recommendations of the Internal Audit Group and management's response therets including a transfelle for implementation to correct weaknesses, and any difficulties measurement in the auditors in the source of their scale (such an instructions on the scope or access to information).

1	. 7	3	- 4	68
		- 15 - L		

Commentat

2.7 The internet Audit Group is required to solveri or present an annual report to the Correction and management of its activities and performance relative to the audit plans, completed audit organement and strangues approved by the Committee, which shall include significant risk expresses, control toose and such other tooses arrange be required by the Committee.

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1	2	3	4	0

Commental

7.1 The Controller supports the internal solid function and provides high-layer follow-up of analityscontrandations when such action is condeal.

				1.1
1	2	3	4	(8)
				12

The Committee reviews in his file op and) function, including compliance of Practice of Internal Auditing.		
	 	175

Contenant:

Constantic

3.10 The Committee makes or has the opportunity to make recommendations to the Board on the appointment, mappedintnest, and institution of the external address, to approve the remaination and tenso of empigement of the external matives, and to raise any questions on the resignation or discriminal of such publics.

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2	3	4	(5)
			1.1.1.2.2.

Connects

3.11 The Committee performs its function to annets and moritor the (ii) external auditors' professional qualifications, compensation, independence and objectivity, and require the external auditors to make the statements secondary and applicable aufficially and any last to be Complete, discussing any relationship or services which may decouple in independence or objectivity; and (10) the efficiences of the audit process in secondaries with applicable module.

10	2	3	4	( = )

Commente

3.12 The external address of the Company give maxime that the contains of the mask and the maxime of the preparation of the Enancial internets comply with applicable and ling standards and rates of regulatory budies, including maillanges on which the Company's securities are Enact.

1	2	- 3	- 4	1.5
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Commental

3.13 The Committee reviews and approves the nature and scope of the audit plans of the external auditors, including scope, and) resources and expenses, and separategol/digators infore the audit conversion.

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1	. 2	3	4	/ 5 ]
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CONTRACTO

3.14 The Committee reviews the reports or communications of the suscenal auditors, and analysis that management we the Board will provide a timely response to the issues pained in such reports or communications.



3.15	The Committee Implementation of			

work, including the lass payable threafin, and evaluate any non-and/t work and atakar by the esternal sudicercas errors for the sone does not conflict with its will functions.

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Consecute

Consess

1.16 The econor aufters of the Company in the signing partner of the aufting first expanded by the Company is changed every five (5) years or earlier

i.	3	3	4	15
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Contents:

- 4. Compliance in the Company with accounting standards, legal and regulatory registrements, including the Company's disclosure policies and procedures
- 4.1 The Centralities assertains or loss har apportunity to assertain whether the Company has in effective process for determining risks and exponent from litigation and claims from ent-compliance with laws and segulations.



### CORPORATE.

4.2 The Concustors reviews the results of management's investigation and follows up on any minute of net-compliance (including elsciplinary action).

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1	2	3	. 4	/ 6 \
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Converse

45 The Committee environt flockage modeling from examination by regulatory squaries as well as internal and external audits, if any,

3	2	 0

Comments

5. Evaluation of management's process to assess and manage the Company's elik Issues. in accounting, internal accounting controls, analiting or flavorcial reporting nations

3.1 The Conventee is approved and participates in making policies in the detection of final and illegal acts officting the integrity of internal controls and disascial seporting systems. and processes, and which easier a reasonial ministraneous is the floancial stateneous of the Cartsany.



5.2 The Governine has the power and authority to conduct investigations, and consider and make resonancedualizes relating to any communication or report ordered to it under the Westbelawing Policy procedures of the Company, or relating to any findings of major investigations on internal control or Francial reporting matters as delegated by the Board or the Committee's own initiative, and management's response thereto.

				1 (3)
1.	2	3	4	1.47
	-			1.1.57

Constants.

5.3 The Committee may obtain, review and consider reports, communications and analysis relating to the detection of final and likepi arts affecting the integrity of internal controls and financial reporting systems and processes, and which cause a material arisesaments in the financial attempts of the Company.



Constants

5.4 The Committee environ that the Company has evolvined risk management policies and procedures, and discusses with management and the internal and/for such policies and procedures adopted, particularly those relating to risk identification, american and management of accounting, internal accounting controls, andring or financial reporting matters.

1	2	12
		 - V

Commander

5.5 The Committee regularly evaluates the adopping and affectiveness of management's activities in managements activities in managements and other risks of the Company, limit affect results of segments reports from management on risk exponent and sisk management activities.

1 .

Commenter

JOSE WILFRIDO M. SUAREZ Signature over printed table

		METRO	LOBAL BOLD	NNGS CORF.				Committee, and auficors regardle			oti isanagcenent	and the optame
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consider reports, communications and analysis ability under applicable auditing or accounting



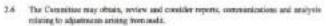
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cousider seports, communications and analysis accounting materians.

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Commerce.





Cargnesis.

Contents

2.7 The Committee may obtain, review and consider reports, communications and analysis relating to any material comparatizations between management and the external auditors, including remagement letters.



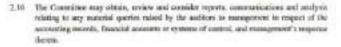
2.8 The Constitute may obtain, review and consider reports, communications and analysis relation to any statificant discoverences with transactions.

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oute:			

2.9 The Committee may obtain, review and consider reparts, communications and analysis relating to difficulties in the audit or restrictions in the audit scope, and access to information.

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Composito





Comments

2.11 The Controline may consider and make recommunitations mining to any communication or report by segulatory agencies relating to the Snancul statements of the Company, and conserve that management undertaken controlive actions, where recommy, in a timely manner.



2.12 The Committee ensures the development of a humpword linancial management system that will ensure the integrity of internal control activities throughout the Companyincluding a funnework for fraud prevention and detortion, through a step-by-step procedures and policies handbook that will be used by the extire organization.

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Connects:

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2.13 The Committee monitors and evaluates the offectiveness of the Company's internal control system, including information technology security.

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Connent:

2.34 The Committee sepervises management in its formulation of accounting policies, rules and procedures on financial reporting including the event of management's responsibility in the preparation of financial statements of the Company and the definition of the mappingibilities pertaining to the colonial matters.



2.15 The Controlline and entands the scope of the internal and external auditors' review of internal controll-over financial reporting, ensuring the independence of one from the other, freedom from interference from mittide parties, summiristed account in such records, personnel and properties of the Company successory to enable them to perform their respective functiona.

1	2	3	4	(5)
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Connests

# 3. Independence and performance of its internal and external and/does

3.1 The Connection, together with management and the load of lowered Audit, reviews the qualifications of an internal auditor and the charter, activities, and organizational structure of the internal audit function.

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100		. nc	30

Coursesits

3.2 The Committee continue or has the authority to confirm the appointment or replacement by menagement of the head of the briened Audit Group. The head of the letternal Audit Group functionally report directly to the Committee.

1	1	- 3	- e -	5

Comments

Concepts:

3.3 The Connecture reviews and configure the surroad andie and antitegic plane preparal by Company's Internal Audit Group in consultation with management, and major durings to the plane, if any.

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·		-25

3.4 The audit plan of the internal Audit Group includes the audit weeps, resources and bulget necessary to implement it.

3.5 The scope of the internal audit ecomotories over the evolution of adopted and effectiveness of controls on governance, operations, information systems, protection of assets, and compliance with contracts, laws, roles and regulations.

1.	1	3	4	5

2.6 The Committee services: significant findings and recommendations of the Internal Audit Croup and management's response thereto including a functable for implementation to correct weakaesses, and any difficulties monomered by the auditors in the course of their audit (such as rootektions on the scope or screen to information).

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Comments

3.7 The Internal Audit Group is required to submit or present on monoil report to the Committee and management of its activities and performance estation to the aufit plana, completed and engagements and strategies approved by the Committee, which shall include significant this expresses, control issues and such other issues any be expressed by the Committee.

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Ceramente

3.8 The Committee supports the improvel audit function and prevides high-level follow-sp of audit recommendations when such autom is resultd.



Commetts. Contractor: 3.12 The enternal autitors of the Company give sesanance that the conduct of the studit and the 3.9 The Committee reviews or has the opportunity to review the effectiveness of the internal andit function, including comptioner with the International Mandards for the Professional measur of the preparation of the financial stationers comply with applicable mailting candieds and roles of regulatory bodies, including enchanges on which the Company's Prietice of Issemal Auditing. recurries are listed. 1 2 3 4 5 2 3 3 1 4 Comments: Competen 3.38 The Clean this makes or has the opportunity in make incommutations to the Board on the appointment, reappointment and removal of the external auditors, to approve the 3.13 The Committee reviews and approves the nature and scope of the audit plans of the external manageration and terrary of engagement of the external auditors, and to ratic any questions aulitars, including wope, and) resources and expenses, and reporting/bigations lucture on the resignation or discrimed of such and item. the multi communities. 3 (5) 1 4 2 3 ÷. 18 . з CORRECTOR OF Connerits 3.14 The Constitute styles the reports or concreminations of the ectored solitors, and estions 3.11 The Committee performs its function to assess and manitor the (i) external and/cerv that management or the Board will provide a timely response to the innes mixed in such professional qualifications, comparence, independence and objectivity, and sequire the reports or communications. external auditors to make the statements necessary under applicable auditing standards as regards its relationship and services to the Company, discussing any relationship or 3 3 2 4 services which may designte its independence or objectivity; and (ii) the effectivaness of 1 the multiprocess in accombance with applicable standards. 3 3 1 2 4

Concerts

5.15 The Committee has the sepacity and resources to ensure the development and implementation of policius on the impagament of indumul auditom in mply news said work, including the face payable therefax, and evaluate any nate-audit work undertaken by the external auditors to ensure that the same does not cardiat with in audit institution.

ા	1	3	4	(5)
Comments:				

3.16 The criterial address of the Company or the signing person of the addring first support by the Company is changed every five (5) years or earlier.

- Compliance by the Company with accounting standards, legal and regulatory requirements, lociniling the Company's discinnate policies and procedures.
- 4.1 The Committee assertains or low the opportunity to accentais whether the Company has an effective process for determining thiss and exposure from highlighten and characterist non-compliance with how and regulations.

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Comments

4.2 The Committee reviews the results of immigratent a leventigation and follows up on any instance of non-compliance (including disciplinary action).

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Conameras-

4.3 The Committee reviews findings searling from examination by septiatory agencies on well as internal and external aufits, if any.

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Commands

- Evaluation of management's present to atoms and manage the Company's risk incoron accounting, Internal accounting controls, and/ing or flows-ful reporting patters
- 5.1 The Committee is appraised and participates in making policies in the detection of final and illegal suits affecting the integrity of internal costrols and financial reporting systems and processes, and which cause a material minimatorsest in the financial intersects of the Company.

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Commenter				
The Committee	e hat the power or	al authority to or	edan incestign	iow, and oetsider e
mike momm Whistlatikeen Investigations	mbriese relating g Policy prezzan on internal control	to any communi- rs of the Compar- or flameSal rope	ution or report : y, or relating to rulng matters as	referred to 1: under any fladings of me delegated by the Bo
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5.3 The Convertise may obtain, review and consider reports, convertinisations and analysis relating to the detection of fraud and illegal acts affecting the integrity of internal controls and fitureial reporting systems and processes, and which cause a material miestaneous in the fitureial automatis of the Company.



5.4 The Committee ensures that the Company has established viol, management policies and provedures, and discusses with transgement and the internal auditor such policies and provedures adopted, particularly these relating to risk identification, associated and management of accounting, internal accounting controls, audicing or francial reporting matters.

1	2	3	4	(3)

Comments:

5.5 The Committee regularly evolution the adequacy and effortiveness of nursegement's sortivities in managing credit, market, liquidity, operational, legal and other risks of the Company, including receipt of negular neperts from management on-tisk exponents and risk management activities.

1	2	3	165
			10

Contrott:

ROBERTO S. ROCO

Signature over printed name



#### METRO GLOBAL BOLDINGS CORP. AUDIT COMMITTER SELF-ASSESSMENT WORKSHEET

#### NAME SOLITA & ALCANTARA

DATE 29 April 2025

Sec. 1

This Board Computing Self-Assumment Workshot is threaded to assess and approve the performance of the Audit Committee to accordance with the Company's Manual on Corporate Government and Charter of the Audit Committee. Kindly accompliant this from by <u>analisting</u> by time that occurageods to your answer using the following criteria.

5-Strongly Agree

- 4 Agros
- 3 Notther agree air dicagree
- 1-Dicagram
- I Strongly Disegree

A structure column is also provided for father continents, if eccentry-

- Quality and integrity of the Company's financial statements and financial reporting process
- 1.1 The Coopurtor roviews all interim and method financial statements ugarant to compliance with perturns. Philippine and internationally accepted according standards, internal financial management, as well as tax, logal and other regulatory requirements before submeximum to be Dated.



1.2 The Controline reviews with management and the extensi address the reads, including any difficulties encouraged, any numerial arrors and/or fixed admittled, anamad or complex, transactions and other same warranting the situation of the

Evene itter, and resolves any disagreements between nunaground and the external authors regarding financial reporting.

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CONTRACTO

1.1 The Committee reviews with management, insertal auditors and the eccentral auditors all matters required to be consecutivated to the Committee onder generally accepted auditory, mandards.

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Connepiti

1.4 The Chalqueses of the Convolute, or in his her absence, the member element by the recenters present in a meeting, reports to the Boardon the decisions, and recommendations made by the Committee following such meeting.



Commenter

- 1.4.1.1
- 1.3 An arread report of the Conneittee's activities is prepared, which may be included in theComputy's atrust report.

# 2. Effectivities of the Company's Internal control systems

2.1 The Committee may obtain, review and consider reports, communications and analysis solurised to the Committee by motogeness, and the internal ord external auditors of the Company, on framinal and teernal contents are systems of the Company, and those required by the upfludde auditory arounding machine.

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Concernia

2.3 The Committee may obtain, review and consider reports, communications and analysis relating to significant or critical financial reporting and internal control issues and practices, including weaknesses and deficiencies roted in these systems, processes and practices.



#### Commente



2 The Committee rate obtain, novice and consider reports, constructions and analysis soluting to the external auditors' responsibility under applicable auditing or accounting standards.

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Correnywhere

2.4 The Committee may obtain, entropy and consider reports, communications and analysis relating to significant accounting policies and practices, and changes in such policies and gractices.

1	2	3	24	(3)

Comments:

2.5 The Committee may obtain, review and consider reports, communications and analysis soluting to monigement's judgments and accounting extension.



	Caramette:										
						2.9	The Constitut relating to diffi- information.				
2.6	The Constituer relating to adjust			reports, conus	uniations and analysis		1	2	3	4	0
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2.12 The Committee ensures the development of a tanoparent Ensurial management system that will ensure the integrity of internal control activities throughout the Company, including a framework for fraud presention and describer, through a surp-by-skep procedures and policies fundinesk that will be used by the active argumentation.



2.13 The Committee womiten and evaluates the effectiveness of the Company's internal control system, including information technology security.



2.14 The Consentration approximate management in its formulation of accounting policies, rules and procedures on Enternal reporting as today, the extent of management's responsibility in the proposition of linearcoil statements of the Company and the definearcoil rule responsibility of the estamial and/ors.



2.13 The Committee understands the scope of the internal and external addition' motion of internal antitotic over financial reporting, eventing the independence of one from the other, feeders from interfinance from outside parties, transmitted accore to each records, personnel and properties of the Company necessary to coable them to perform their impective finantians.

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Company

1. Independence and performance of its internel and external outlivers

3.1 The Contribut, together with management and the boat of Petersal Andit, prolews the qualifications of an internal autility and the above, autivitian, and organizational structure of the internal audit function.

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Commentat

7.2 The Committee confirms or her the authority to confirm the appointment or explanament by management of the head of the internal Audit Group. The head of the internal Audit Group fanctionally reports directly to the Committee.

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Connetti

3.3 The Committee reviews and confirms the annual walfs and strongle plans prepared by Company's internal Audit Group in consultation with management, and major changes to the plans, if any.

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Company

3.4 The and it plan of the Internal Audit Group includes the nullt scope, securces and budget meanings to implement it

instruction (		
	 	 _

2.3 The wope of the internal audit enomination covers the evaluation of adequacy and effectiveness of controls are governance, operations, information systems, protection of assets, and compliance with contrasts, laves, ratio and regulators.



#### Complete:

3.6. The Committee reviews significant findings and recommendations of the internal Audit Decay and management's receiver thereto including a firstable for implementation to certest weaknesse, and any diffication incommend by the sections in the course of bettr solid (such as settrictions on the scope or access to information).

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3.1 The internal Audit Group is explored to submit or present an annual report to the Committee and management of its activities and performance relative to the audit plane, completed audit engagements and strategies approved by the Committee, which shall include significant risk expressions, control losses and such other inners as may be required to the Committee.

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1.3 The Committee supports the internal sould function and provides high-level follow-up of authrecommendations when such action in model.

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#### Cresments.

3.8 The Consultate reviews or has the opportunity to review the effectiveness of the internal sould function, including compliance with the International Standards for the Productional Practice of Internal Auditing.

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Commenter

3.0 The Consolities makes on two the operandity to make recommutations to the Board of the operation on, supportant and removed of the external additors, to approve the measuration and terms of engineers of the external additors, and to these pay questions on the resignation or discrimical of such and term.

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3.11 The Cornelize performs its function to assess and monitor the (ii) estampl auditors' professional qualifications, comprehence, independence and objectivity, and require the external auditors to make the statements necessary ands applicable auditing standards as segards to relationship and services to the Company, discussing any relationship or anytons within may develop a to independence on objectivity; and (10 the effectiveness of the autit process in accessary with applicable annatoric.

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#### Contents

3.12 The external authors of the Company give assurance that the conflact of the audit and the manner of the preparation of the framework automotive comply with applicable moliting standards and sules of regulatory holics, and using enchanges on which the Company's securities are break.

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313 The Committee systems and approves the nature and scope of the audit plane of the extension molitors, including slope, and it researces and expenses, and reporting of gathers before the audit committees.



Committee:

3.14 The Committee reviews the reports or communications of the external multiture, and ensures that management or the Board will provide a timely response to the issues raised in such reports or communications.




3.15 The Committee true the capacity and memorous to evolve the development and implementation of policies on the engagement of external address to supply non-addr work, including the loss gayable therefor, and evolvate any removal it work undertaken to the external address to greate that the same down not conflict with its addression.

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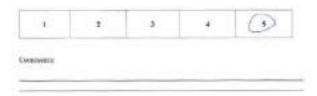
3.16 The external meltion of the Company or the signing pattern of the auditing firm argument by the Company is charged every five (9) years or earlier.

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Creamental.			

- Compliance by the Company with accounting standards, legal and regulatory inpatrometric, including the Company's disclosure policies and procedures
- 4.1 The Committee accertains or has the opportunity to assurant whether the Company has an effective process for determining risks and expresses from higgsizer and claims from non-compliance with laws and regulations.

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Company



5.1 The Committee her the power and automity to constant investigations, and consider and make recommendations relating to any communication or report addenuel to it under the Whiteblowing Policy procedures of the Company, or relating to any fluidings of rasio investigations on immental control or financial seporting matters as delegated by the Board as on the Committee's own instantive, and management's temporate theorem.

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5.3 The Committee may obtain, review and consider reports, communications and enalysis intering to the detectors of trend and likepil and affecting the integrity of interval console and financial reporting systems and processes, and which cause a material missiatument is the financial statement of the Company.

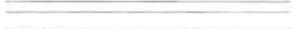


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5.4 The Computer organic that the Company has established risk management pelicies and procedures, and discusses with management and the internal auditor such policies and procedures adopted, particularly these relating to this identification, eccentrate and management of accounting, internal accounting controls, soliting or financial reporting matters.



Dogwoots



5.5 The Committee regularly evaluates the adequacy and effectiveness of management's activities in exampling results, makes, tagabily, operational, legal and other mass of the Company, Including receipt of negotiar reports from management on risk exposures and risk numagement activities.

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# III. RELATED PARTY TRANSACTIONS COMMITTEE

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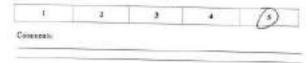
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42 In evaluating material related party increasions, the Converting standard the related party's relationship to the Company and the extent of the related party's manage in the transaction. Lo, other the transaction workly present as improper reaffier of interval or uppeal risk or contrapency. For the Company or any of its solubility or affiliants, or the contrapent related party, sharing uses second the late of the immunitie position of the counterpart selated party.



4.1 In evaluating meaning interest party transactions, the Committee operation the purpose and iming of the transaction.

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4.4 In evaluating material related party immunities, the Committee considers any susteinal information or other factors the Company of the proposed valued party manaching and fall owing. (a) the benefits on the Company of the proposed valued party manaching and (3) the relativity of other sources of companies products or survives.

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4.5 The Committee reviews all enternal mixed party transactions in secondarios with the principles of transposesty, integring and fairways, to establish they are at antih length, they terms are lair, and they will insue to the best manual of the Company and its orbitidiarias or efficient and their shareholders, including minimity shareholders.

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- er be counties to the Based for dual approxit,

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# 5. Reparting Process

Convention

5.1 The Chalperson of the Consultate, or in inside: absence, the member elected by the members present in a meeting, reports to the Beald on the decisions: and recommendations made by the Committee following such meeting.

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An annasî sepos Company's sene	of the Committee al report.	e's autivities is pr	eperod, which is	us la lictade
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## 6. Performance Evaluation

9.1 The Committee ensences in effectiveness periodically, with a view to cruating the its preformance accords with both practice. Such assessment must compare its performance with the recommender of the Charter of the Related Party Transactions Committee, which shall be the book of an internalistice of objectives and plans to improve its performance.

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6.2 The Chatter of the Related Porty Transactions Constitute is reviewed waterally and system to required.

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4.2 In availability material party transactions, the Committee considers the related party's relationship to the Company and the extent of the related party's interest in the transaction. I.e. whether the instantion would preserve an improve outflike of interest or special risk or overlagency for the Company or any of its subsidiaries or efficiency of the construction for the party, taking into account the size of the transaction and the overall formula providen of the committee party.

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4.3 Is evaluating material related party transactions, the Domnittee considers the purpose and timing of the transaction.

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4.4 In evaluating meterial robots party transactions, the Committee considers any material information or other factors the Content these deems relevant, including for not limited to the following: (a) the baseful to the Company of the proposed robots party transaction; and (b) the availability of other sources of comparative products or arrives.

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4.5 The Committee preserve all material related party manactions in necoslance with the principles of interpretery, integrity and farmelis, to ensure that floy are at areas langth, bein terms on Sur, and they will insure to the best interest of the Company and its sub-illaries or affiliates and their stareholders, including minerity shareholders.

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- 4.8 Material related party manaactions, which pass the neview of the Committee are endorsed by the Controlling to the Board that final approval.

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Reporting Pressure

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5.2 An annual report of the Committee's activities is prepared, which may be included in the Company's annual report.

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# 6. Performance Evaluation

6.1 The Committee assesses its effectiveness periodically, with a view to emuring that its performance assesses with the spatieness of the Conter of the Rained Party Tonnactions Committee, which shall be the basis of its formations of dependence and plane to bigmove its performance.

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6.2 The Cherter of the Related Party Trainactory Connection in siviewed annually and updated as required.

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JOSE WILFRIDO M. SUAREZ

Signature over printed name



#### METRO GLOBAL HOLDINGS CORP. RELATED PARTY TRANSACTIONS COMMITTEE SELF-ASSESSMENT WORKSHEET

- NAME ROBERTO & ROCO
- DATE 25 April 2025

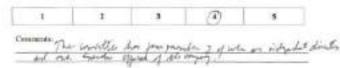
This Board Committee ScT-Assessment Workshoet is intended to assess and improve the performance of the Related Party Transactions Committee is accordance with the Company's Manual on Composite Governmente, Clariter of the Related Party Transactions Committee, and Policy on Related Party Transactions. Kindly accomplish this form by <u>mainting</u> the zero that commission to your answer using the following attents:

- 5 Strengty Agree
- 4 Agree
- 3 Neither agree nor disagree 2 - Disagree
- 1 Strengly Disagree

A nominity column is also provided for further commons, if necessary,

# 1. Mandurship and Qualifications

1.1 The Robiel Party Transactions Committee has a articulation of three (3) voting transfers of the Sourd, all of whom are non-executive theorem.



1.2 At least two (2) of the Contraiting members are independent Disectors, including the Chairperson.

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#### Comments

1.3 The Chairperson and the director-members of the Committee are appointed by a majority vote of the members of the Board constituting a quorant either during the Organizational Board Montag of the Company, or if there is a sacrary, during any monting of the Board constituting a quorant.



# Structure and Operations

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2.1 The Committee mosts at moh times and places as it considers appropriate, but no less that two G1 times a year.

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2.2 The Committee acts only in the affermative vote of at issue a majority of the newbers present at a meeting at which there is a quarter. [Anotherwork of at heat rate (2) Committee rearrhors consultates a quarter for the Committee rearrans furthers.]

2.1 The Chairperson of the Committee presides in all meetings of the Committee. In the absence of the Committee Chairperson, the Committee members present deet one (1) of the members as Chairperson of the meeting.

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2.7 The Committee a provided with sufficient resources by the Company to discharge its daties.

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# 3. Dutics and Responsibilities

3.1 The Committee ensures the evaluation on an engoing basis of existing relations between and among bodynesses and conceptories to mean that all related parties are excitinancely identified, related party transactions are monitored, and subsequent changes in relationships with counterparties (from non-minited) or minited, and vice semi) are captured.

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3.2 Related parties, whited party transactions and elements in relationships are reflected in the relevant reports to the Board and regulation or supervisors.

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3.3 The Committee evaluates all material related party transactions to essays that these are not understates on more favorable economic terms (a.g. prile, constitutions, interest totes, free, terost, collineral requirements) to such related parties than similar transactions with interestand parties, and that no competiate because resources of the Company or misoperopristed or misopplied.

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4.2 In evaluating material related party transactions, the Committee considers the related party's relationship to the Company and the extent of the adaptive party's interest in the transaction, i.e. whether the transaction would present as improper conflict of interest or special risk or contragency for the Company or any of its subsidiaries or affiliates, or the company in their store of the unsaction and the overall fibure in the contempart related party, sking two account the size of the unsaction and the overall fibure in the contempart related party.

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4.3 in evidanting material related party transactions, the Committee considers the purpose and timing of the transaction.

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4.4 In evaluating material related party transactions, the Constraintse considers any material information or other factors the Constraintse downs relevant, including but not likelihol to the following: (a) the benefits to the Company of the proposed related party transactions, and (in the assignibility of other mouses of competible products or accritica).

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4.5 The Committee reviews all material related party transactions in accordance with the principles of transparency, langify and formers, to ensure that they are a artis length, their service are fair, and they will issue to the best interest of the Company out in adoktionies or affittees and their shareholders, including minority diarchelders.

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#### 6. Performance Evaluation

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6.1 The Control to assess its adjustment periodically, with a view to arouning that its performance accords with best practice. Such assessment must compare the performance of the Charter of the Robrid Party Transactions Comparise, which shall be the basis of its charter of the Robrid Party Transactions (its performance).

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6.2 The Charter of the Reland Party Transactions Committee is reviewed annually and updated in required.

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3.2 The Correstine oversets the ingelescentation of the emopping risk standgement plan. As it doesn netcessary, the Constricter conducts regular discussions on the Company's principal and residual risk exponents based on regular risk management reports and assesses have the concerned units or offloan are addressing and managing these risks.

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3.1 The Corumittee advises the Beard on Humik appetite levels and rok talerance limits.

3.5 The Commutan reviews periodically as it deems necessary the Company's esk appetite levels and risk toleranes institutions and also operated in the beneficient state regulatory financewish, the estimated eccessions and backness environment, and when region evens occur that are considered to have region impacts on the Company.

3.6 The Contraintee measure the probability of each identified risk becoming a reality and minutes in possible significant frame init impact and like/Bood of occurrence. Priority areas of concern are these risks that are record likely to occur and to impact the performance and stability of the Company and its statiofholders.

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3.7 The Control provides oversight over sumagement's activities is transping could, sucher, liquidity, operational, legal and other risk exposures of the Company.

3.3 The Commisser reports to the Board on a regular basis, or an denoted secencery, the Company's meaning take exponents, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

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3.9 The Constitute acts within such powers, daties and softenity granted open it by the

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Contribute:

#### 4. Reporting Process

4.1 The Charperson of the Connecting, or in Nether elements, the member decide by the members presen in a meeting, reports to the Boardien the decisions and recommendations made by the Connectance following and meeting.

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4.2 An annual report of the Committee's activities is prepared, which may be included in the Company's annual report.

#### 5. Performance Evaluation

1.1 The Committee assesses its effectiveness periodically, with a view to unsuring that its performance accords with how position. Such assessment must compare its performance with the requirements of the Contex of the Board Rule Devenight Committee, which shall be the basis of its firmulation of objectives and plans to represe its performance. Michailing itsy recommendations for anomendments to the Charter of approaches approaches the abult.

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5.2 The Charter of the Board Risk Oversight Committee is reviewed assually and apdated as sequence.

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JOSE WILPRIDO M SUAREZ

Signature over printed name

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Page 223 of 275

3.2 The Controlling overages the implementation of the enception disk homigeneous play. As it clasms meansury, the Committee conducts regular discussions on the Company's prioritized and residual risk exposure based on regular risk management reports and observes how the concerned units of offices are addressing and managing these risks.

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3.2 The Committee services periodically as it dears necessary for Company's risk appellie loads and risk tolerance invite loads as changes and developments in the training, the regulatory framework, the potential monomies and functions environment, and when major events accuration are considered to have major appears on the Company.

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3.6 The Controlline accesses the probability of each identified this becoming a reality and attituates its possible significant facential impact and likelihood of occurrence. Providy arrays of sensess are those risks that are most likely to occur and to impact the performance and statelity of the Company and its stateholders.

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5.7 The Committee provides oversight over management's activities in managing code, madiat, Rasidov, operational, legal and mineratin opposates of the Company.

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3.3 The Committee reports to the Board on a regular basis, or in deamed seconary, the Company's ensterial dole exponents, the actions taken to reduce the risks, and recommends wither action or plans, on recomany.

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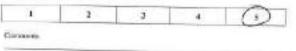
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3.9 The Committee sets within such powers, dutien and eachests grannel upon it by the Doubl.

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#### 4. Reporting Process

(4.1 The Contraction of the Container, or in higher absence, the member elected by the members present in a massing, reports to the Board on the decisions and accommendiations made by the Contractice following each viewing.



4.3 An annual report of the Commission's activities is proposed, which may be included in the Company's annual report.

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#### 5. Performunce Trailation

5.1 The Control Ree assesses its affectiveness periodically, with a view to ensuring that its performance accords with here parenties, their assessments must accord as the transition of the Beerd Kith Oversight Control the Whith and I be the basis of the Fermiliaion of objectives and place to respect to performance, including any recommendations for assessments to the Chante for approaching the Beerd.



3.2 The Charter of the Board Hale Overlight Committee is reviewed annually and updated as required.

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#### METRO GLOBAL HOLDINGS CORP. BOARD RESK OVERSIGHT COMMITTEE SKLF-ASSESSMENT WORKSHEET

#### NAME ATTY, FERDINAND T. SANTOS

#### BATE 25 April 2025

This Based Committee Solf-Assessment Windoker is interacted to assess and improve the performance of the Sward With Universight Consolition is assessmentation with the Company's National on Corporate Sourcement and Charter of the Board Risk Orientight Committee National Statistics and Charter of the Board Risk Orientight Committee National Statistics and Charter of the Board Risk Orientight Committee National Assessment and the Statistics of the

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- 2 Disagoor
- 1 Strengly Disagree

A remarks column is also provided for further comments, if secondary

#### 1. Manhership and Qualifications

1.1 The Based Risk Oversight Committee has a evidences of the Beard.


 Majority of the Committee members are independent Directors, including the Observation.

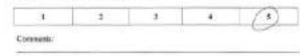
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1.3 The Chairperson of the Consection is not the Chairperson of the Board or of any other committee.



1.4 Ac hast out (1) moreher of the Committee has relevant theoregy knowledge and experience on the and this managements.



1.5 The Charpenson and the director-sternbers of the Control larer are appended by a majority verse of the meteology of the Board screenbarting in quantum other during the Organizational Hoard Monting of the Company, or if there is a variancy, during any meeting of the Board consultating a parent?

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#### 2. Structure and Operations

2.1 The Committee meets on such times and places as it considers appropriate, but no loss than two (2) these a year.



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2.5 As assessery, the Convertice may lawls monthers of management and organisation suff of the Company and any of its subsidiaries, to attain the Committee meeting and gravide pertisent information and data. A: the discrittee of the Committee superstement may be held, whereaver it is deterred appropriate by the Committee for the exercise of its functions.

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8.3 The Committee oversion the implementation of the entrypine risk management plan. As a density necessary, the Committee conducts regular discussions in the Company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing there risks.

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3.3 The Compriston evaluation the risk management plan to ansure its continued relevance, comprehensivement and effectiveness. The Control time evaluate defined risk management strategies, looks for entroping or changing material exposures, and keeps abreast of significant developments this seriously impact the Decilional or Long.

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3.4 The Corrective advises the Board on Burluk appetite levels and risk televance limits.

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3.5 The Committee reviews periodically as it deems necessary the Company's risk appoints levels and risk indemness limits hundless or charger and developments in the trainess, the regulatory functions, the external economic and hundless environment, and and examples or events seems that are considered to have major inspects on the Company.

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3.5 The Counciltae provides oversight over management is activities in managing could, market, liquidity, operational, legal and other risk exponents of the Company.

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3.1 The Committee reports to the Buard on a capital basis, or no deenced encossery, the Company's owners a responses, the actions taken to reduce the risks, and recommendat further action or plane, as receivery.

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Consumption:

3.9 The Committee sats within such powers, darks and automity granted apen it by the Board.

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ATTY FEIDMAND T. SANTOS



#### METRO GLOBAL BOLDINGS CORP. BOARD RESK OVERSEGHT COMMITTEE SELF-ASSESSMENT WORKSHEET

NAME ATTY: ALICE ODCHIQUE BONDOC

DATE: 25 April 2025

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This Beard Constraints: half-Assessment Warksheet is intended to assess and improve the performance of the Board Rule Overegist Committee in secondance with the Company's Manual on Corporate Oversurer and Charter of the Board Role Oversight Consolitee Kindly accomplish this form by encircing the item that corresponds to your access using the following criteria:

- 5 Strongly Agree
- 4 Agree 3 Neither agree sor disagree
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A remarks column is also provided for father commence, if necessary.

#### Membership and Qualifications 1.

1.1 The Board Risk Oranight Committee has a minimum of three (7) voting manihors of the Moard.

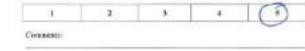
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1.2 Muonity of the Committee members an Indopendent Directory, inclusing the Chirpenon,



#### Conserve.

- 1.1 The Chalcherton of the Committee is not the Chairperson of the Board or of any other portrain infage.



1.4 Al last see (1) rearber of the Coremiton has relevant thorough knowledge and repetience on mik and risk managements.



8.5 The Chaleperson and the director-mambars of the Committee are appointed by a majority vete of the marshess of the Board constituting a quorum either during the Organizational Board Meeting of the Company, or if these is a varancy, during my meeting of the Board contining a quotes.

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#### Structure and Operations z.

2.1 The Committee meets at each times and please as it considers appropriate, but no less than two (2) times a year.



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3.5 The Committee reviews periodically as it don'ts recensury the Company's risk appetite levels and trick to lorgers limits based on obseque and hereispenrots in the business, the regardery furnerwork. The external economic and business, errinomese, and when major revents could that an considered to have user impacts on the Company.



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3.8 The Convertises sets within such powers, daties and authority granted upon it by the Board.

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#### 4. Reporting Process

4.1 The Chalaperson of the Consultine, or in his/for identice, the source elected by the weathers prosent in a meeting, reports to the Board on the decisions and recommendations made by the Consultize following each meeting.

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4.2 An annual report of the Committee's activities is prepared, which may be included in the Company's annual report.

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#### 5. Performance Evaluation

3.1 The Committee oncesses its effectiveness periodically, with a view to ensuring the its conformation accords with beet practice. Such assessment must compare its performance with the magnetization of the Charter of the Board Rick Owenight Control to which shall be the town of the thermalistics of relative and plans as improve in performance, including any reconstructed lines for animalitizents to the Charter for approval by shallowed.

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3.2 The Charles of the Board Risk Oversight Committee is reviewed annually and updated as required.



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ATTY. ALICE OCCHIGUE-BONDOC Signature over printed areas



# 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	

# <u>Risks</u>

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.

# 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



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.



#### METRO GLOBAL HOLDINGS CORP.

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 judgmental 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, 2024

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 2023, 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 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.

SOBREPEÑA JOHN 1

Chief Executive Officer

GONZA Chairman of Audit Committee

leanlare TAS, 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

# 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 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:
  - 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

## COMPANY'S TRAINING AND DEVELOPMENT PROGRAMME

To sustain **Employee Training and Development**, the organization implements a structured strategy encompassing policies, commitments, workforce objectives, and dedicated resources.

• Policies and Commitments: The company enforces continuous learning policies to ensure employees receive equal access to training and professional development opportunities. It promotes career growth, skills enhancement, and leadership progression through structured learning pathways.

• Goals and Targets: Workforce development goals include:

- Annual training completion rates of 90% across all departments.
- Leadership pipeline programs to ensure talent succession.
- o Industry-specific certification sponsorships for employee skill advancement.
- Regulatory compliance training for adherence to labor laws.

• **Responsibilities and Resources:** The Human Resources and Learning & Development (L&D) Teams oversee training implementation, supported by department heads who identify critical workforce competencies. Resources include:

- o Digital Learning Platforms for accessible training.
- o Onsite and External Training Programs led by industry experts.
- Professional Development Budgets for employee upskilling.

• Grievance Mechanisms: Employees can raise concerns about training accessibility or career progression through:

- o Training feedback surveys for course improvements.
- HR consultation programs to discuss career development opportunities.
- Employee mentorship networks for professional guidance.
- Projects, Programs, and Initiatives:
  - Career Growth Acceleration Program Focused on upskilling and reskilling employees for emerging industry trends.
  - Leadership Development Pipeline Cultivating future leaders through executive coaching and mentorship.
  - Technical Skill Certification Sponsorships Offering financial support for employees pursuing industry recognized certifications
  - Compliance Training Modules Ensuring alignment with labor laws, workplace ethics, and industry regulations.



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 rafiled 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.

HOHC Na GR Policy December 2017 IM/No/ter



If any employee has questions about and/ or needs clarification of any aspect of this policy, the employees should check with their supervisor. If the supervisor 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.

MONE No GA Asicpilecenter 2017 KMGenner COMPANY HAME : NETRO GLOBAL HOLDENGS CORP.

LIST OF TOP 100 STOCKHOLDERS As of December 31, 2024

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	SUISTANDING ( SSUED SHARE! ARTIALLY PAP	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL	NATIONALITY
FE-ESTATE MANAGEMENT, INC.	2,452,690,70	5 0	2,452,800,100	00.100	FILIPINO
PSD NOMINEE CORPORATION (PILIPINO)	100,447,033	1 0	100,447,0331	3.6553	PH. PHNC
ALAKOR SECURITIES CORFORATION	66,778,251	3 0	66,778,253	2.428	FILIPINO
SMART SHARE INVESTMENTS LIMITED	55,000,000	0 0	55,000,000	2.000	HONGKONG
BANK OF COMMERCE - TRUBT SERVICES OROUP	43,211,800	> 0	43,211,808	\$.67t	FILIPINO
BANK DF COMMERCE T 8-91-07-001-C	6,383.000	3 0	6,383,000	0.232	FILIPINO
PCD NOMINEE CORPORATION (NON-FILIPINO)	3,661,621	0	3,661,629	0.133	NON-FILIPINO
FIL-ESTATE MANAGEMENT INC.	2,009,998	3. 0	2,059,998	0.075	FILIPINO
BANCOMMERCE INVESTMENT CORP.	2,000,000	0 0	2,000,000	0.073	FILIPINO
ATTY, GILBERT REVES ITF VARIOUS SHAREHOLDERS	2.35	1,001,183	1.003.514	0.060	FILIPINO
NOEL CARINO	1,505,500	3 0	1,506,500	0.055	FILIPINO
JAIMEV BORROMEO	1,000,000	0 (	1,000,000	0.036	FILIPINO
LEROY TAN	675,500	0 0	675,500	0.025	FILIPINO
BELSON SECURITIES, INC. A/C#196-358	694.000	0 0	<b>564.000</b>	0.024	FILIPINO
ROBERTO N DEL ROSARIO	628,000	0 0	628,000	0.023	FILIPINO
GEC CORPORATION	576,001	0	576,000	0.021	FILIPINO
THE HOLDERS OF THE UNEXCHANCEDSAN JOSE OF GD , IN	556,033	4 0	1056,805	0.020	DTHER ADEN
DAVID GO SECURITES CORP.	414,301	3 D-	414:200	0.045	FILIPINIO
TRENDLINE SECURITIES CORP.	362,500	0 0	3852,500	0.014	FILENES.
ALBERTO MENDOZA B/CR _EANE C. MENDOZA	300.000		300,000	0.011	FILIPINO
ALAKOR CORPORATION	200,000	u U	200,000	0.007	FILIPINO
PATRICIA S. BORIA	200,000	3 0	200,000	0.007	FILIPINO
CATHERINE CHOA	200.000		200,000	0.007	FILIPINO
GRACE VICTORIA V. PEREZ DE TAGLE	190.000		190,000	0.007	FILIPINO
ROBERT JOHN SOBREPENA	190,000		190,000	0.007	FILIPINO
RAMON S. MONZON	165,000		165,000	0.005	FILPINO
JALANDONI, JAYNE ADAMS AND COMPANY, INCORPORATE	157 571	0 0	157 570	0.005	FILIPINO
BARCELON, ROXAS SEC., INC.	146.600		146,500	0.005	FILIPINO
BEATRIZ GO &/OR MICHELLE GO	130,000	0 0	130,000	0.005	FILIPINO
F YAP SECURITIES, ING	128,300		128.300	0.005	FILIPPING
YU & COMPANY, INC.	127,701		127,700	0.005	FILIPINO
PHILIPPINE OVERSEAS DRILLING AND OIL DEVELOPMENT	125.500		125500	0.005	FILIPINO
PAPA SECURITIES CORPORATION	117,000		117,000	0.004	FILIPINO
ROBERTO V. SAN JOSE	110,000		110,000	0.004	FILIPINO

ELEVEN SEVEN PROFIT MAKER, INC.	109,500	D	109,500	9.004	FILIPINO
LOURDES SCHOOL OF MANDALUYONG	109,000	0	109,000	0.004	FILIPINO
G. D. TAN AND COMPANY, INC.	105,400	0	106,400	0.004	FILPINO
BANK OF COMMERCE. TRUST SERVICES GROUP AS TRUSTEE FOR CAPPI TRU	100,000	0	100,000	0.004	FILIPINO
ANTONIO K. GOCOLAY	100,000	0	100,000	0.004	FILPINO
VICENTE R. JAVINE	100,000	0	100,000	0.004	FILPINO
KERRY SEC. (PHILS) INC. A/C NO. LJM01	100,000	n	\$00,000	0.004	FILPINO
JUAN NANUEL V. LOPEZ	100,000	0	100,000	9.004	FILIPINO
EDMUNDO F. UNSON	300,000	0	100,000	0.004	FILPINO
EMMANUEL ZAPANTA	100,000	0	100,000	0.004	FILIPINO
MA JOSEFINAE SAN MIGUEL	87,000	0	87,000	0.003	FILIPINO
QUALITY INVESTMENTS & SEC. CORPORATION	86,000	D	86,000	0.000	FILPINO
WILLIAM RUSSELL L. SOBREPENA	82.000	0	82,000	0.003	FILIPINO
JESUSA O. BERNARDO	80.000	D	60.000	0.003	FILIPPIO
TANSENGCO AND COMPANY, INC.	80.000	0	80,000	0.003	FILIPINO
RAMON T. LAC	79.000	0	79.000	9.003	FILIPINO
ANSALDO, GOOINEZ & CO., INC	78.200	0	78,200	0.003	FILIPINO
S. J. ROXAS & DO, INC.	78.000	0	78.000	0.000	FILPINO
GALSECURITIES CO., INC.	77.500	0	77,500	0.003	FILIPINO
THERESITABLEDI	77.000	0	77,000	9.003	FILPERO
YU TING CHONG	70.000	0	70,000	0.003	FILPEO
EASTERN SECURITIES DEV. CORP.	68,000	0	66.000	0.002	FILPINO
F. C. HAGEDORN & CO., INC.	65,000	0	65,000	0.002	FILIPINO
LUIS CO CHI KIAT	60,000	0	60.000	0.002	FILEPINO
ARCH RUBENR, PAYUMO	60,000	D	60,000	0.002	FILPINO
SIDRO TAR	59 500	0	59,500	0.002	FILPERO
PAN ASIA SECURITIES CORP.	55,000	0	55,000	0.003	FILIPING
ROBERT JOHN SOBREPENA	51,000	0	51,000	0.002	FILPERO
CHING FIONG KENIS & OR CYNTHIA D. CHING	50,000	0	50,000	0.002	FILPINO
LILIAN C. CHOING	50,000	0	1027010	0.002	FILPINO
PRST PACIFIC SEC. PHILS, INC	50,000	0	50,000	0.002	FILPINO
THOMAS Y LIM	50,000			0.002	
		0	50,000	10.000.00	FILIPINO
ADRIAN PAULINO S RANOS	50,000	0	50,000	0.007	FILPINO
ALEXANDRA S RAMOS	50,000	0	50,000	0.002	
GERARD ANTON 5. RAMOS	50,000	0	50,000	0.002	FILIPINO
ANSELMO TRINIDAD & CO., INC.	49.000	0	49,000	9.002	FILPINO
LISA GOKONOWEI CHENO	45,002	0	45,002	9.002	FILPINO
LARCE YU GOKONGWEL	45,002	0	45,000	0.002	FILIPINO
FAITH GOKONGWEI LIM	45,002	0	45.002	0.002	FILIPPIO
ROBINA GOKONGWELPE	45,002	0	45,000	0.002	FILPINO
MARCIA YU GOKONGWEI	45,001	D	45,001	0.002	FILIPINO
HOPE GOKONGWEI TANG	45,001	Q	45,001	0.002	FILIPINO
MACAPIO E ARO	45,000	0	46,000	0.002	FILIPINO
EDWARD T. GABALDON	45,000	0	45,000	9.002	FILIPINO
CHONG & COMPANY, INC	41,800	D	41,800	0.002	FILPINO
CITISECURITIES, INC.	41.500	0	41,500	0.002	FILPINO

Page **250** of **275** 

40,500	0	40,500	0.001	FILIPINO
40.000	0	40,000	0.001	FILIPINO
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37,600	0	37,600	0.001	FILIPINO
35,000	0	35,000	0.001	FILIPINO
35,700	0	35,700	0.001	FILIPINO
35,000	0	35,000	0.001	FILIPINO
31,500	0	31,500	0.001	FILIPINO
31,250	0	31,250	0.001	FILIPINO
30,610	0	30,610	0.001	FILIPINO
30,100	0	30,100	0.001	FILIPPIO
30,000	0	30,000	0.001	FILIPINO
30,000	0	30,000	0.001	FILIPINO
30,000	0	30,660	0.001	FILIPINO
30.000	0	30,000	0.001	FILIPINO
30.000	0	30,000	0.001	FILIPINO
30.000		30,600	0.001	FILIPINO
30.000	0	30.005	0.001	FILIPINO
30.000	0	30,000	0.001	FILIPINO
27,830	0	27,830	0.001	FILIPINO
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27.500	0	27.500	0.001	FLIPHO
26.129	0	25,129	0.001	OTHER ALIEN
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24.000	0	33735322	0.001	FILIPPIO
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LEONCIO MONZON

VILNA C. PO SY

GRANE TOTAL (198) 2,748,281,417 1,901,163

2,748,182,580

VILNA U. PU ST	20,000		20,000	0.001	<b>FILETRO</b>
VILNA G. PC-SY	20.000	0	20,000	0.001	FLIPNO
FRANCISCO PONCE	20,000	0	20,600	0.001	FLIPINO
LUZM SANTOS	20,000	0	20,600	0.001	FLIPNO
ANNABELLE SIA	20,000	0	20,600	0.001	REPNO
ELMER SY	29,003	U	20,000	0.001	FLPNO
ROBERT KINGIOK TAN	20,003	0	20,000	0.001	FLPNO
FELY WONG	20.000	0	20,000	0.001	FLIPNO
LEGUE ANNE YAO	20,000	0	20,000	0.001	FLIPINO
HANCY UY YAP	20,000	0	20,600	0.001	FLIPINO
ROBERTO YOUNG	20,000	0	20,000	0.001	FLIPINO
ENRIQUE YUSAY JR	20,000	0	20,600	0.001	FLIPINO
MANOTOC SECURITIES, INC.	19,400	0	19,400	0.001	FLIPNO
WILLIAM NICHOLAS HOGG	10.000	0	19,000	0.001	CANADIAN
L RECIO AND COMPANY, INC.	10,000	0	18,300	0.001	FLPHO
RODOLFO G. IBANEZ	18,000	0	18,000	0.001	FLIPNO
JOSEPH CHUA & COMPANY, INC.	18,003	0	18,000	0.001	FLIPINO
IMPERIAL, DE GUZMAN, ABALOS AND COMPANY, INC.	17,000	0	17,000	0.001	FLIPNO
TANSENGCO, UY & COMPANY, INC	16,000	0	16,600	0.001	FLIPNO
ROBERT LA O 02AETA	15,900	0	15,900	0.001	FLIPINO
DAVID WILSON	15.794	0	15,794	0.001	AMERICAN
IMPERIAL, DE GUZMAN, DEE INC.	15,750	0	15,750	0.001	FLIPNO
JESUS R. JAYNE AND COMPANY JNC	15.653	0	15,650	0.001	FLPNO
SOUTA S. ALCANTARA	15,000	0	15,000	0.001	<b>FLIPNO</b>
DAVID ASTEJADA.	15,000	0	15,600	0.001	FLIPNO
ALBERTO CHUA &/OR LINDA CHUA	15,000	Ū.	15,000	0.001	FLIPNO
EAST WEST CAPITAL CORPORATION	15,000	0	15,000	0.001	FLIPINO
ELIZABETH SEE KOA	15.000	0	15,600	0.001	CHINESE
DUVIA NACAPUDAY	15,000	n	15,000	0.001	FLIPNO
VICENTE P. VALENZUELA	15,000	0	15,000	0.001	FLENO
GENEROSO VILLANUEVA	15,000	0	15,000	0.001	FLIPINO
DE CASTRO, VALDERRAMA, ARROYO SECURITIES CORPORATI	14,500	0	14,600	0.001	FLIPNO
J. M. BARCELON AND CO., INC.	13,900	0	13,900	0.001	FLIPINO
SECURITIES MANILA, INC.	13,503	0	13,500	0.000	FLIPNO
LIBRADO S. CALILLING	12,210	0	12,210	0.000	RUPNO
MARIETTA CO CHIEN	12,000	0	12,000	0.000	FLIPINO
ANDRES G LIM	12,000	0	12,800	0.000	FLIPNO
UY-TIOCO AND CO., INC.	12.000	0	12,000	0.000	FLIPINO
SHEARSON, HAYDEN STONE, WC.	11,903		11,908	0.000	OTHER ALIEN
NOEL DE LA PAZ	11,003	a	11,800	0.000	FLPNO
FRANK CONSALVO & JEANNETTE CONSALVO JTWROS	10.757	0	10,757	0.000	AMERICAN

29,000

20,000

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FLIPNO

MEMBER	April 22, 2024	May 22, 2024	June 6, 2024	November 25, 2024	ATTENDANCE RATE/PERCENTAGE	
Jose Wilfrido M. Suarez	Р	Р	Р	Р	100%	
Francisco C. Gonzalez	Р	Р	Р	Р	100%	
Robert John L. Sobrepeña	Р	Р	Ρ	Р	100%	
Ferdinand T. Santos	Р	Р	Р	Р	100%	
Rafael R. Perez de Tagle, Jr.	Р	Р	P	Р	100%	
Alice Odchigue-Bondoc	Р	р	Р	Р	100%	



## MINUTES OF THE SPECIAL MEETING OF THE CORPORATE GOVERNANCE COMMITTEE

OF

## METRO GLOBAL HOLDINGS CORPORATION

Held on 22 April 2024 Mezzanine Floor, Renaissance Towers Meralco Avenue, Pasig City

## PRESENT:

JOSE WILFRIDO M. SUAREZ FRANCISCO C. GONZALEZ ROBERT JOHN L. SOBREPEÑA ATTY. FERDINAND T. SANTOS RAFAEL PEREZ DE TAGLE, JR. ATTY. ALICE ODCHIGUE-BONDOC

1. The Chairman of the Corporate Governance Committee (the "Committee"), Mr. Jose Wilfrido M. Suarez called the meeting to order and presided over the same. The Committee Member & Assistant Corporate Secretary, Atty. Alice Odchigue-Bondoc, recorded the minutes of the proceedings.

 The Committee Member & Assistant Corporate Secretary certified the presence of a quorum; hence, the meeting of the Committee proceeded with the transaction of corporate business.

Upon motion made and seconded, the reading of the minutes of the previous meeting of the Committee was dispensed with and the minutes approved without reading.

4. The Chairman reminded the members that under the Corporate Governance Committee Charter, the Committee should oversee the annual performance evaluation of the effectiveness of the Board, its Committees and the contribution of each director, including its executive directors, which evaluation will be externally facilitated once every three years. He added that the Committee should agree on an action plan addressing the results of the Board effectiveness review.

The Chairman informed the members that for this year, the evaluation need not be externally facilitated. For this reason, it is the Committee who has formulated the Assessment Forms for evaluation of the Board, its

1

Committees and its directors. He then instructed Committee member, Atty. Alice Bondoc to present to the Committee the Assessment Forms (Board and Self-Assessment) which the Committee recommends to be distributed to the Board of Directors to accomplish.

Atty. Bondoc presented and furnished each of the Committee members the Assessment Forms to be distributed to the Board of Directors to accomplish.

After some discussions, the Committee agreed to distribute the Assessment Forms to the Board of Directors to accomplish and directed Atty. Bondoc to take charge of the distribution of the same.

Atty. Bondoc noted the instructions of the Chairman and suggested to the Committee that the Board of Directors should be informed that all Assessment Forms should be submitted back to the Committee not later than a week before May 31, 2024 which is the deadline for submission of the 2023 Integrated Annual Corporate Governance Report inasmuch as the Assessment Forms are to be included in the said Report.

 There being no further business, upon motion made and seconded, the meeting was adjourned.

JOSE WILFRIDO M. SUAREZ	FRANCISCO C. GONZALEZ
ROBERT JOHN L. SOBREPENA Member	ATTY. FERDINAND T. SANTOS Member
RAFAEL PEREZ DE TAGLE, JR. Member	ALICE ODCHIGUE-BONDOC Member

### ATTEST:

2

## MINUTES OF THE SPECIAL MEETING OF THE CORPORATE GOVERNANCE COMMITTEE

OF

## METRO GLOBAL HOLDINGS CORPORATION

Held on 22 May 2024 Mezzanine Floor, Renaissance Towers Meralco Avenue, Pasig City

## PRESENT:

JOSE WILFRIDO M. SUAREZ FRANCISCO C. GONZALEZ ROBERT JOHN L. SOBREPEÑA ATTY. FERDINAND T. SANTOS RAFAEL PEREZ DE TAGLE, JR. ATTY. ALICE ODCHIGUE-BONDOC

 The Chairman of the Corporate Governance Committee (the "Committee"), Mr. Jose Wilfrido M. Suarez called the meeting to order and presided over the same. The Committee Member & Assistant Corporate Secretary, Atty. Alice Odchigue-Bondoc, recorded the minutes of the proceedings.

 The Committee Member & Assistant Corporate Secretary certified the presence of a quorum; hence, the meeting of the Committee proceeded with the transaction of corporate business.

 Upon motion made and seconded, the reading of the minutes of the previous meeting of the Committee was dispensed with and the minutes approved without reading.

4. The Compliance Officer, Atty. Bondoc, presented to the members of the Committee the draft Integrated Annual Corporate Governance Report for the fiscal year ended 2023. Atty. Bondoc stated that the said report is required to be filed with the SEC in compliance with the Code of Corporate Governance. Atty. Bondoc then explained to the Committee that the said report is an output of the collaborative efforts of the Finance Department, Audit Department, Human Resources Department and Advertising Department. After some discussions on the report, upon motion made and duly seconded, the following resolutions were unanimously approved:

> "RESOLVED, That the Corporate Governance Committee hereby approves the Integrated Annual Corporate Governance Report for the fiscal year ended 2023 as reflected in attached Annex "A" herein;

"RESOLVED, FURTHER, that the Committee shall present before the Board of Directors of the Corporation such Integrated Annual Corporate Governance Report for their approval and the filing thereof at the Securities and Exchange Commission and the Philippine Stock Exchange as required by existing rules and regulations of the said regulatory entities."

 There being no further business, upon motion made and seconded, the meeting was adjourned.

## ATTEST:

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JOSE WILFRIDO M. SUAREZ	FRANCISCO C. GONZALEZ
ROBERT JOHN L. SOBREPENA Member	ATTY. FERDINAND T. SANTOS
RAFAEL PEREZ DE TAGLE, JR. Member	ALICE ODCHIGUE-BONDOC

## MINUTES OF THE SPECIAL MEETING OF THE CORPORATE GOVERNANCE COMMITTEE

OF

## METRO GLOBAL HOLDINGS CORPORATION

Held on 6 June 2024 Mezzanine Floor, Renaissance Towers Meralco Avenue, Pasig City

## PRESENT:

JOSE WILFRIDO M. SUAREZ FRANCISCO C. GONZALEZ ROBERT JOHN L. SOBREPEÑA ATTY. FERDINAND T. SANTOS RAFAEL PEREZ DE TAGLE, JR. ATTY. ALICE ODCHIGUE-BONDOC

 The Chairman of the Corporate Governance Committee (the "Committee"), Mr. Jose Wilfrido M. Suarez called the meeting to order and presided over the same. The Committee Member & Assistant Corporate Secretary, Atty. Alice Odchigue-Bondoc, recorded the minutes of the proceedings.

 The Committee Member & Assistant Corporate Secretary certified the presence of a quorum; hence, the meeting of the Committee proceeded with the transaction of corporate business.

Upon motion made and seconded, the reading of the minutes of the previous meeting of the Committee was dispensed with and the minutes approved without reading.

 The Chairman of the Committee reminded the members of the Committee that the function of the Nomination and Election Committee under the By-Laws of the Company have been assumed by the Corporate Governance Committee.

The Chairman then said that in view of the forthcoming 2024 Annual Shareholders Meeting on July 25, 2024, the Committee should lead the screening process for nominations for election to the Board of Directors. It should review and evaluate the qualifications of all persons nominated for election to the Board of Directors in accordance with the requirements of the Corporation's By-Laws, Manual of Corporate Governance and applicable legal,

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regulatory and listing requirements. It shall identify, approve and recommend to the Board of Directors the list of eligible nominees to be elected as members of the Board of Directors.

The Chairman added that the Committee shall consider and determine if nominees for election as independent directors are qualified according to the criteria set under the Listing rules, Revised Code of Corporate Governance of 2012, and other applicable laws and regulations.

The Chairman then directed the Assistant Corporate Secretary and Committee Member, Atty. Alice Bondoc to inform again the Committee on the process and criteria for Nominations to the Board.

Atty. Bondoc then elaborated that the following procedure and criteria shall be observed in the review and screening of persons nominated for election to the Board of Directors:

- Written nominations by the stockholders shall be received by the corporation at least 60 days before the date of the Annual Meeting of the Stockholders;
- 2. The Committee shall assess and determine if the person nominated for election to the Board of Directors meet the following qualification standards for directorship: (a) Ownership of at least one (1) share of the capital stock of the Corporation registered in his name in the books of the Corporation; (b) College degree or its equivalent, or comparable experience and competence in managing a business in lieu of such formal education; (c) Relevant experience and credentials such as previous business experience in the corporation, membership in good standing in relevant industry and membership in business or professional organizations; (d) Able to conduct fair business transactions with the Corporation and devote the necessary time and attention to properly and effectively perform his duties and responsibilities as director; (c) Able to act judiciously and exercise independent judgment; (f) Has none of the director disqualifications prescribed under the Securities Regulations Code and its implementing rules, SEC Code of Corporate Governance and such other applicable laws and regulations; and (g) For independent directors: (i) Beneficial equity ownership in the Corporation or in its related companies must not exceed two (2%); and (ii) Each must meet the term limit and independence standards set under SEC corporate governance rules as follows:

 Must not be a regular director or officer of the Company or any of its related companies1 or substantial shareholders2 for the current or any of the past two financial years;

 Must not be an ex-officio director or officer of the Company, including as a Chairman Emeritus of the Board, or a member of the executive advisory board or as Board adviser for the current or preceding financial year;

. Must comply with the maximum 9 -year term limit

 Must not have a member of his immediate family who is a director, officer or substantial shareholder of the Company or any of its related companies;

Must have a maximum of 5 directorships in other publicly listed companies

 Must not be a nominee or representative of a director or substantial shareholder of the Company or its related companies and/or its substantial shareholders;

 Must not have been an executive employee of the Company or its related companies or substantial shareholders within the last past five years;

 Must not have been an adviser (whether personally or through his firm or other similar entity) of the Company, its related companies or its substantial shareholders, within the last five years;

 Must not engage in any transaction (whether personally or through a firm where he is a partner, director, officer or substantial shareholder) with the Company, its related companies or substantial shareholders unless conducted on arm's length basis and immaterial;

- The Committee may also consider the following matters in their evaluation: (a) Directorships in other corporations; (b) Age of the director; and (c) Any possible conflict of interest.
- 4. The Committee shall pre-screen and identify the individual nominees who possess all the qualifications and none of the disqualifications for directorship set for directors, including independent directors, under the Securities Regulations Code and its implementing rules, SEC Code of Corporate Governance and such other applicable laws and regulations.
- Thereafter, the Committee shall identify and recommend a shortlist of qualified nominees for Board approval and endorsement of the final list of nominees for election at the Annual Meeting of the Stockholders.

Atty. Bondoc then informed the Board that written nominations for the Board of Directors of the Company were received from a stockholder, Mr. Jaime Borromeo.

After some discussions, upon motion made and duly seconded, the Final List of Nominees for Directors for the ensuring year were unanimously approved by the Committee: For Regular Directors:

Robert John Sobrepena Ferdinand T. Santos Noel M. Carino Jaime M. Cacho Rafael Perez de Tagle Jr. Roberto S. Roco Alice Odchigue-Bondoc

For Independent Directors:

Jose Wilfrido M. Suarez Francisco C. Gonzalez

Atty. Bondoc then informed the Board that the nomination of Francisco Gonzalez may be commented by the SEC as having reached the 9 year term limit if the SEC does not agree with the Company's decision that the "covid years" should not be counted in the computation of the 9-year term limit since the Company was not able to operate its business as usual on those years.

Atty. Bondoc added that should the SEC take an exception on the nomination of Mr. Gonzalez, then the recourse of the Company would be to seek the shareholders' approval on the 1 year term extension of Mr. Gonzalez and to include this matter in the Agenda for the Annual Meeting.

The Committee noted the information of Atty. Bondoc and directed Atty. Bondoc to include in the Information Statement of the Company the final list of nominees for directors for the forthcoming Annual Meeting of the Company as approved by the Committee.

There being no further business, upon motion made and seconded, the meeting was adjourned.

ATTEST:

JOSE WILFRIDO M. SUAREZ FRANCISCO C. GONZALEZ Member Chairman

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ATTY. FERDINAND T. SANTOS ROBERT JOHN L. SOBREPENA Member Member ula d man ALICE ODCHIGUE-BONDOC (RAFAEL PEREZ DE TAGLE, JR. Member Member Anna.

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## MINUTES OF THE SPECIAL MEETING OF THE CORPORATE GOVERNANCE COMMITTEE

OF

### METRO GLOBAL HOLDINGS CORPORATION

Held on 25 November 2024 at 9AM via Zoom

### PRESENT:

JOSE WILFRIDO M. SUAREZ FRANCISCO C. GONZALEZ ROBERT JOHN L. SOBREPEÑA ATTY. FERDINAND T. SANTOS RAFAEL R. PEREZ DE TAGLE, JR. ATTY. ALICE ODCHIGUE-BONDOC

 The Chairman of the Corporate Governance Committee (the "Committee"), Mr. Jose Wilfrido M. Suarez, called the meeting to order and presided over the same. Atty. Alice Odchigue-Bondoc, recorded the minutes of the proceedings.

Atty. Bondoc certified the presence of a quorum; hence, the meeting proceeded with the transaction of corporate business.

 Upon motion made and seconded, the reading of the minutes of the previous meeting of the Committee was dispensed with and the minutes approved without reading.

 Upon motion made and seconded, the following resolutions were approved:

\*RESOLVED, That the Corporate Governance Committee recommends the engagement of **CENTER FOR GLOBAL BEST PRACTICES** to act as training provider to the Corporation in connection with the 2024 SEC Mandatory Corporate Governance Seminar to be held via Zoom on 17 December 2024 (Tuesday) at 1PM to 5PM. This 4-hour seminar is a yearly compliance requirement for directors and key officers of publicly listed companies per SEC MC20, Series of 2013 and SEC MC19, Series of 2016;

RESOLVED, FURTHER, That the Corporate Governance Committee recommends for the Corporation's Chief Finance Officer, RAMON G. JIMENEZ, to sign, execute and deliver any and

Page 1 of 2

all documents and papers necessary or incidental in the foregoing."

 There being no further business, upon motion made and seconded, the meeting was adjourned.

ATTEST: JOSE WILFRIDO M. SHAREZ

Chairman of the Committee

un ROBER L. SOBREPEÑA 1ember

FRANCISCO C. GONZALEZ

FERDINAND T. SANTOS ATT Member

RAFAEL R. PEREZ DE TAGLE, JR. Member

ODCHIGUE-BONDOC ATTY. Member

Page 2 of 2

## Back to recommendation Annex "25"

6	MEETINGS OF THE BOARD OF DIRECTORS FOR THE YEAR 2024												
DIRECTOR	January 25, 2024	February 23, 2024	April 29, 2024	May 13, 2024	May 28, 2024	May 29, 2024	June 20, 2024	July 1. 2024	July 17, 2024	July 25, 2024	August 14 2024	November 8, 2024	ATTENDANCE RATE (%)
Robert John L. Sobrepeña	P	P	P	P	P	P	Р	Ρ	Р	۴	Р	Р	100%
Ferdinand T. Santos	P	P	P	Р	P	Р	Р	P	Р	P	Р	Р	100%
Noel M. Cariño	A	P	Ρ	P	Ρ	Ρ	P	Ρ	Р	Ρ	Р	Ρ	91.7%
Jaime M. Cacho	Р	P	P	P	P	Р	P	P	Р	р	P	P	100%
Francisco C. Gonzalez	A	Р	P	Р	P	P	Р	P	P	P	Р	Р	91.7%
Roberto S. Roco	Ρ	Р	Р	Р	Ρ	Ρ	Р	Ρ	Ρ	Ρ	P	Р	100%
Rafael R. Perez de Tagle, Jr.	P	P	P	P	P	P	P	A	Р	P	Р	Р	91.7%
Jose Wilfrido M. Suarez	Р	P	P	P	P	Р	ାନ	P	Ρ	Р	P	P	100%
Alice Odchigue-Bondoc	P	р	Р	P	Р	Р	Р	р	P	р	Р	Р	100%

Back to recommendation Annex "26"



### METRO GLOBAL HOLDINGS CORP.

## SELF-EVALUATION AND ASSESSMENT QUESTIONNAIRE FOR THE CHAIRMAN OF THE BOARD

Name of Assessor:		Date Completed:	
ROBERT JOHN L. SOBRI	FRENA	April 25, 2025	
ROBERT SOMA E. SOBR	I. LINA	antit	7
Period Covered: 2024		Signature:	
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## Duties and Responsibilities of the Chairman of the Board

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1	The Chairman ascertains that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.					1
2	The Chairman ensures that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.					1
3	The Chairman facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.					1
4	The Chairman ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management.					-
5	The Chairman facilitates the availability of proper orientation for first-time directors and continuing training opportunities for all directors.					1
6	The Chairman ensures that the meetings of the Board are held in accordance with the By-Laws or as the Chairman may deem necessary.					1
7	The Chairman has oversight in the preparation of the agenda of the Board meetings in coordination with the Corporate Secretary, taking into consideration the suggestions of the directors and Management.					1
8	The Chairman maintains qualitative and timely lines of the communication and information between the Board and Management.					1

## Individual Director's Self-Assessment

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#### SZLF-ASSESSMENT QUESTIONNAURE (INDIVIDUAL DIRECTOR)

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SELF-ASSESSMENT QUESTIONNAIRE (INDIVIDUAL DIRECTOR)

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#### METHO IN REAL HOLDINGS COMP.

#### SELF-ASSESSMENT QUESTIONNARG (INDIVIDUAL DIRECTOR)

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Portani Doverant	2004

This 3df-Assessment Questionnairs is compound of savying statements based on the roles, functions and expectibilities of the locard neurobers found ansier the Company's Manual on Corporate Lowersence. Press readyate how wells you have performed for early offences and indicate the rating of the appropriate hos using the following rating realer.

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#### METHO SCOREL POLDINGS CORP.

#### SELF-ASSESSMENT QUESTIONNAURE (INDIVIDUAL DIRECTOR)

Rane of Assessors	JOSE WEPROON MAREZ	Mart
Ente Completent	25 April 2025	0.
Period Coursell	2004	

This Self-Assessment Development is consistent of scripting statements based on the roles, hundrans and responsibilities of the Beard members Reard water the Company's Manual on Carponne Sevenarias. Please restates have well you have performed for such schedulate the tailing is the representation on whigh the following rating ands:

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### SEC Form – I-ACGR \* Updated May, 2025



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Note Consideration	36 April 2026
Range Develop	2024

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WOTHD GADBAL HOLDINGS COMP.

SELF-ASSESSMENT QUESTIONNAURE

(INDIVIDUAL DIRECTOR)

Harne of Assessor	ALICE ODCHIGUE-BONDOC	me
Dear Conglosoet	38 April 2005	
Period Covered	3024	1

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### SEC Form – I-ACGR \* Updated May, 2025

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#### SELF-ASSESSMENT QUESTIONNAME (INDIMOVAL DIRECTOR)

Brown Annan:	RAFAEL R. PEREZ DE TAGLE, JR.
See Campletes	25 April 2025
Period Contract	2004

This Self-Assessment Bountiennin is composed of vaning resonants leaved on the roles, functions and majorabilities of the Board members found under the Company's Manual on Corporate Scientifica). Heave evaluates have read you have an electrical for each orbition and indicate the unling set the agreemptate box using the following using using the set.

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#### INDIVIDUAL SOLARD GREET OR 5 SELF-ASSESSMENT

Good Corporate Government Predication and Principles		flating (1.0)	Termin
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# ANNEX H

## FAIRNESS OPINION REPORT ON THE CONVERSION OF PHP800.0 MILLION IN LIABILITIES INTO EQUITY SHARES OF METRO GLOBAL HOLDINGS CORPORATION

6.1

Prepared By:



September 15, 2023

This Fairness Opinion report (the "Report") was prepared by:

## **MIB CAPITAL CORPORATION**

("MIB Capital" or the "Fairness Opinion Provider")

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> Date of Report September 15, 2023

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## I. Executive Summary

## BACKGROUND AND OBJECTIVE

This report was prepared by MIB Capital Corporation as an independent fairness opinion provider to Metro Global Holdings Corporation ("MGHC" or the "Company") with the objective of rendering a fairness opinion on the conversion of a portion of its liabilities to Fil-Estate Management, Inc. ("FEMI") amounting to Php 800.0 million into equity shares of MGHC at a conversion price of Php 1.00 per share.

The conversion of liabilities into equity shares was approved by the Board of Directors on April 12, 2012, and by the Securities and Exchange Commission ("SEC") on December 16, 2013.

## ASSUMPTIONS and LIMITATIONS

In preparing our fairness opinion, we relied on documents which were either provided by the Company or sourced from Bloomberg. For documents provided by the Company, MIB Capital considered the data as reliable and accurate. We did not verify or validate any information presented by the Company except where explicitly stated and discussed in the Results and Findings section of this report. Our analysis and procedures did not include verification work or constitute an audit in accordance with Philippine Standards on Auditing.

For information acquired from Bloomberg, we assumed that the information contained therein were accurate.

## FINDINGS

## Debt Validation

The Board of Directors of MGHC approved the conversion of the liabilities to FEMI amounting to Php 800.0 million into equity on April 12, 2012. To determine whether the Php 800.0 million liabilities which were converted into common shares were outstanding prior to the Board approval on April 12, 2012, we reviewed MGHC's interim and audited financial statements, the relevant subscription agreements, and the Certificate of Approval of Valuation from the SEC.

Based on the documentations provided to us, we validated the existence of the PHP 800.0 million advances prior to the Board approval in April 2012.

## Equity Valuation

Since the conversion of debt into equity, as well as the conversion price, was approved by the Board of Directors on April 12, 2012, we found it appropriate to focus on historical financial statements of the Company, to determine whether the conversion price was fair at the time of the Board approval. Since the Discounted Cash Flow (DCF) method focuses on future cash flows of a company, we are of the opinion that it is not an appropriate method to compute for the estimated value of MGHC at the time the Board approval was secured. Also, the Volume-Weighted Average Price (VWAP) method was not used in our valuation because the shares of MGHC have not been traded since 2007. Due to the aforecited reasons, we decided to take a closer look at the Relative Valuation (RV) and Net Asset Value (NAV) methods instead to compute for the estimated value of MGHC.

For the RV method, we noted that MGHC only recorded an insignificant amount of interest income as its revenue in its Interim FS and AFS, resulting in net losses for both periods. Moreover, its Balance Sheet also reflected a capital deficiency. This meant that the Relative Valuation method is not applicable as it would result in a negative figure regardless of the price multiples of the comparable companies, since the financial inputs of MGHC (ie. Total Equity, Net Income) were negative for both periods.

## Asset Approach / Net Asset Value

We computed for the Company's NAV using both its interim and audited financial statements immediately prior to the decision to convert the amount owed to FEMI into equity. The NAV method valued MGHC based on the market or net realizable values of its balance sheet items. To arrive at the NAV, we focused on the assets of the Company and determined if any of the accounts needed to be adjusted to either their net realizable or fair market value.

After deducting the adjusted Total Liabilities from the Total Assets, the NAV of the Company based on its financial statements are as follows:

	DECEMBER 2011	MARCH 2012
Estimated Value in Php	43,647,922	42,400,711
Estimated Per-Share Value in Php	0.0437	0.0425

## CONCLUSION

Based on our review of the operation and financial performance of MGHC, we deemed the NAV method to be most appropriate in valuing the Company. Using the information submitted to and secured by MIB Capital and our pertinent analyses thereof, our computed values per share of MGHC were from Php 0.0425 to Php 0.0437, below its par value of Php 1.00 per share. According to the Corporation Code of the Philippines, a company cannot issue a share of stock for a consideration less than its par value. Regardless of the resulting valuation of MGHC, therefore, the value of a share of MGHC common stock for purposes of new issuance must be no lower than its par value.

Based on the aforecited processes and limitation, we concluded that the conversion of the Php 800.0 million owed to FEMI into 800.0 million common shares at the par value of Php 1.00 per share was appropriate.

Net Asset Value Method	Amount in Php	
December 31, 2011	0.0437	
March 31, 2012	0.0425	

Debt to Equity Conversion - Metro Global Holdings Corp.

## II. Objective

This report was prepared by MIB Capital Corporation as an independent fairness opinion provider to Metro Global Holdings Corporation ("MGHC" or the "Company") with the objective of rendering a fairness opinion on the conversion of a portion of its liabilities to Fil-Estate Management, Inc. ("FEMI") amounting to Php 800.0 million into equity shares of MGHC at a conversion price of Php 1.00 per share.

The conversion of liabilities into equity shares was approved by the Board of Directors on April 12, 2012, and by the Securities and Exchange Commission ("SEC") on December 16, 2013.

# III. Sources of Information

The Company provided us with the following information and materials:

- a) Interim financial statements of MGHC as of March 31, 2012
- b) Audited financial statements of MGHC for the year ended December 31, 2011
- c) Subscription agreement between MGHC and FEMI dated April 18, 2011
- d) Subscription agreement between MGHC and FEMI dated April 12, 2012
- e) Certificate of Approval of Valuation from the SEC dated December 16, 2013
- f) General Information Sheet of MGHC for the year 2022
- g) Corporate Profile of MGHC and FEMI

In addition to the materials provided by MGHC, we also referred to Bloomberg for the basic description and financial information of select holding companies listed in the Philippine Stock Exchange.

## IV. Assumptions and Limitations of the Study

In preparing our fairness opinion, we relied on the documents enumerated above which were either provided by the Company or sourced from Bloomberg.

For documents provided by the Company, MIB Capital considered the data as reliable and accurate. We did not verify or validate any information presented by the Company except where explicitly stated and discussed in the Results and Findings section of this report. Our analysis and procedures did not include verification work or constitute an audit in accordance with Philippine Standards on Auditing.

Based on the documents provided by the Company, we assumed the following:

- That the liabilities (which were the subject of the Transaction) were valid and outstanding as of the pertinent date.
- That the necessary corporate approvals for the issuance of common shares and the conversion
  of liabilities into common equity were obtained from their respective approving authorities.
- That the necessary agreements between MGHC and FEMI such as but not limited to the Debt-to-Equity Conversion Agreement were duly executed.

For information acquired from Bloomberg, we assumed that the information contained therein were accurate.

# V. Company Background

#### A. Corporate Background

Metro Global Holdings Corporation, 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.

The Company's key investment is in the form of equity interests: a) 18.6% interest in Metro Rail Transit Holdings, Inc. (MRTHI) and b) 12.6% interest in Metro Rail Transit Holdings II, Inc. (MRTH II). MRTHI owns 84.9% interest in MRTHII, 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.

As provided under the BLT Agreement, upon completion of the LRTS, the DOTC shall operate the same and pay MRTC guaranteed rental fees for a period of twenty-five (25) years, from date of completion. The rental fees are used to pay debt to foreign funders, equity rental payments to stockholders of MRTC to guarantee a fifteen percent (15%) net economic return and maintenance fees.

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 OID Bonds were subsequently redeemed in full by delivering Asset-Backed Notes ("Notes") issued by MRT III Funding Corporation Limited (MRT III). Upon maturity of the Notes, MGHC used the proceeds to substantially settle its debts to FEMI.

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, 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.

On August 18, 2005, the Company and FEMI entered into a "Letter of Agreement", whereby FEMI 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.

#### B. Board of Directors and Management Officers

Presented below are the directors and key management officers of MGHC as of the date of the Report:

Name	Citizenship	Executive Position
Robert John L. Sobrepeña	Filipino	Chairman of the Board
Ferdinand T. Santos	Filipino	President
Noel M. Cariño	Filipino	Director
Rafael Perez de Tagle, Jr	Filipino	Director
Roberto S. Roco	Filipino	Director
Alice Odchigue-Bondoc	Filipino	Director
Francisco C. Gonzalez	Filipino	Director, independent
Jaime M. Cacho	Filipino	Director
Jose Wilfrido M. Suarez	Filipino	Director, Independent
Gilbert Raymund T. Reyes	Filipino	Corporate Secretary
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# VI. Results and Findings

#### A. Debt Validation

The Board of Directors of MGHC approved the conversion of the liabilities to FEMI amounting to Php 800.0 million into equity on April 12, 2012. To determine whether the Php 800.0 million liabilities which were converted into common shares were outstanding prior to the Board approval on April 12, 2012, we referred to MGHC's interim FS as of March 31, 2012 ("Interim FS"), and its audited FS for the year 2011 ("AFS").

Based on the Interim FS of MGHC, the Due to a Stockholder account amounted to PHP 1,847,848,897, greater than the Php 800.0 million advances that were eventually converted into equity. We also checked MGHC's AFS and the same account amounted to Php 1,846,224,982. The notes to the AFS disclosed that the Due to a Stockholder account pertained to advances from FEMI arising mainly from FEMI's payment of MGHC's bank loans including interests and penalties.

Aside from checking the Company's financial statements, we also secured from the MGHC copies of the subscription agreements which were executed on the following dates:

- a) April 18, 2011 For the initial Php 600.0 million
- b) April 12, 2012 For the additional Php 200.0 million

In both subscription agreements, MGHC and FEMI agreed to convert the liabilities payable to FEMI into equity shares at a conversion price of Php 1.00 per share, out of the remaining unissued portion of the authorized capital stock of MGHC.

Lastly, MGHC also provided us its Certificate of Approval of Valuation from the SEC executed on December 16, 2013.

Based on the documentations provided to us, we validated the existence of the PHP 800.0 million advances prior to the Board approval in April 2012.

#### **B. Equity Valuation Approaches**

After validating the existence of the debt, we determined that the conversion price of PHP 1.00 per share was fair. We looked at four (4) possible approaches to value the shares of MGHC:

#### 1. Asset Approach - Net Asset Value (NAV)

The Net Asset Value approach derives the value of a company from the adjustment of the assets and liabilities to reflect their current market value or net realizable values. This method is deemed to provide a more meaningful valuation of asset-intensive businesses such as natural resource companies and property firms. This approach is also used to value companies that are projected to incur losses over a period of time.

#### 2. Market Approach - Volume-Weighted Average Share Price (VWAP)

The volume-weighted average share price approach considers the share price of a publicly listed and traded company within a trading period. This method uses a market determined valuation and is applicable for companies with significant liquidity and trading activity. However, it is not applicable for privately held companies and not appropriate for publicly listed companies with illiquid or thinly traded shares.

#### 3. Market Approach - Relative Valuation

One approach to stock valuation is the Relative Valuation Method which measures the value of the company relative to that of another company or a group of companies. It typically uses price multiples of comparable companies. Comparable firms are defined as those in the same line of business and with similar growth and risk profile. The rationale behind price multiples is the need to evaluate a stock's price in relation to what it buys in terms of assets, earnings or some other measure of value.

There are a number of multiples which can be used to calculate the price of a stock of a company being valued, among which are Price-to-Book (P/B) and Enterprise Value-to-EBITDA (EV/EBITDA) multiples.

#### 4. Income Approach - Discounted Cash Flow (DCF)

The DCF approach is used to estimate the value of an investment by using future free cash flow projections and discounting them to arrive at a present value. The discount rate is equivalent to the rate of return that equity investors require to finance a project. This is normally based on the risk-free rate plus a risk premium multiplied by the beta coefficient of the company. The higher the perceived risk of an investment, the higher the risk premium should be.

The total present value of these future earnings, including the terminal value, represents the theoretical price of the shares.

#### C. Applicable Equity Valuation Methods

Since the conversion of debt into equity, as well as the conversion price, was approved by the Board of Directors on April 12, 2012, we found it appropriate to focus on historical financial statements of the Company, to determine whether the conversion price was fair at the time of the Board approval.

Since the DCF method focuses on future cash flows of a company, we are of the opinion that it is not an appropriate method to compute for the estimated value of MGHC at the time the Board approval was secured.

Also, the VWAP method was not used in our valuation because the shares of MGHC have not been traded since 2007. Based on the disclosure in their website, MGHC voluntarily suspended the trading of its shares since March 20, 2007, to allow the Company to re-align its business and explore new strategic directions.

Due to the aforecited reasons, we used the NAV and RV methods instead to compute for the estimated value of MGHC at the time of the Board approval in early 2012.

#### **D. Equity Valuation**

#### 1. Asset Approach / Net Asset Value (NAV)

We computed for the Company's NAV using both its interim and audited financial statements immediately prior to the decision to convert the amount owed to FEMI into equity. The NAV method valued MGHC based on the market or net realizable values of its balance sheet items. To arrive at the NAV, we focused on the assets of the Company and determined if any of the accounts needed to be adjusted to either their net realizable or fair market value.

#### NAV using MGHC's 2011 Audited Financial Statements (the "AFS")

	December 31, 2011	ADJUSTMENTS	NET ADJUSTED VALUE
Current Asset			
Cash on hand and in banks	141,646	0	141,646
Noncurrent Assets			
Available-for-sale financial assets	1,774,237,878	0	1,774,237,878
Total Assets	1,774,379,524		1,774,379,524
Current Liabilities	1.1		
Accrued expenses and other current liabilities	351,037,996	0	351,037,996
Noncurrent Liabilities			
Due to a stockholder	1,846,224,982	- 800,000,000	1,046,224,982
Due to other related parties	333,468,624	0	333,468,624
Total Noncurrent liabilities	2,179,693,606		1,379,693,606
TOTAL LIABILITIES	2,530,731,602		1,730,731,602
NET ASSET VALUE	-756,352,078		43,647,922
Number of Shares	998,403,181		998,403,181
NAV per share	-0.7576		0.0437

Presented below is the Net Asset Value computation as of December 31, 2011:

#### Assets

Based on the Company's AFS, its assets were mainly composed of its available-for-sale financial assets, and the total amount of this account was further broken down into the following:

	2011
Unquoted equity securities	Php 1,763,697,240
Quoted equity securities	10,540,638
TOTAL	1,774,237,878

The unquoted securities amounting to Php 1,763,697,240 pertained to MGHC's 18.6% interest in MRTHI and 12.6% interest MRTHI. The reflected amount was computed by deducting Php 1,567,446,876 as an adjustment under PAS 39, which was the accounting standard for the recognition and measurement of financial instruments at the time, from the acquisition cost of Php 3,331,144,116.

As discussed in Section V.A of this Report, with the sale of the future share distributions from ERPs of the LRTS Phase I project of MRTC, the Company does not recognize its share in earnings of MRTC arising from the ERPs of the LRTS Phase I Project. Despite this however, the Management believed that the carrying amount of the investments in MRTHI and MRTH II can be realized in the future through:

- The Company's share in any additional variable ERP received by MRTC from DOTC in the form of a ridership bonus or sharing scheme which were not included in the future share distributions sold;
- · The Company's share in the benefits arising from the residual rights in the expansion project; and
- The Company's put option to use the shares of stocks of MRTHI and MRTH II to pay-off its net advances from FEMI.

Based on the statements by the Management and the fact that the AFS was audited by a reputable audit firm, we considered the adjusted amount as reliable and found sufficient basis to use it in our valuation.

#### Liabilities

As of December 31, 2011, the liabilities owed to FEMI amounting to Php 800.0 million were still recorded as liability. Given the subscription agreements entered into between MGHC and FEMI in April 18, 2011 and April 12, 2012, we opted to deduct the amount of advances from the noncurrent liability account. All other liabilities were retained as these remained outstanding obligations of the Company.

#### Net Adjusted Value

After deducting the adjusted Total Liabilities from the Total Assets, the NAV of the Company based on its AFS was computed at Php 43,647,922. This translated to a NAV per share of PHP 0.0437.

#### NAV using MGHC's Q1 2012 Interim Financial Statements (the "Interim FS")

	March 31, 2012	ADJUSTMENTS	NET ADJUSTED VALUE
Current Asset	12		
Cash on hand and in banks	110,300	0	110,300
Noncurrent Assets			
Available-for-sale financial assets	1,774,237,878	0	1,774,237,878
Total Assets	1,774,348,178		1,774,348,178
Current Liabilities			
Accrued expenses and other current liabilities	350,629,946	0	350,629,946
Noncurrent Liabilities			
Due to a stockholder	1,847,848,897	- 800,000,000	1,047,848,897
Due to other related parties	333,468,624	0	333,468,624
Total Noncurrent liabilities	2,181,317,521		1,381,317,521
TOTAL LIABILITIES	2,531,947,467		1,731,947,467
NET ASSET VALUE	- 757,599,289		42,400,711
Number of Shares	998,403,181		998,403,181
NAV per share	-0.7588		0.0425

Presented below is the Net Asset Value computation as of March 31, 2012:

Aside from MGHC's AFS, we also took into consideration its latest interim financial statements prior to the Board approval. After our evaluation, the only adjustment made to the accounts was the reduction in the *Due to a Stockholder* account by Php 800.0 million, since these pertained to the liabilities which were eventually converted into equity. After deducting the adjusted Total Liabilities from the Total Assets, Net Asset Value of the Company was computed at Php 42,400,711 or Php 0.0425 per share.

Below is the summary of the values computed using the NAV method:

	DECEMBER 2011	MARCH 2012
Estimated Value in Php	43,647,922	42,400,711
Estimated Per-Share Value in Php	0.0437	0.0425

#### 2. Market Approach / Relative Valuation Method

For our second valuation method, we considered the Relative Valuation Method which measures the value of a company relative to that of another company or a group of companies.

However, we noted that MGHC only recorded an insignificant amount of interest income as its revenue in its Interim FS and AFS, resulting in net losses for both periods. Moreover, its Balance Sheet also reflected a capital deficiency. This meant that the Relative Valuation method is not applicable as it would result in a negative figure regardless of the price multiples of the comparable companies, since the financial inputs of MGHC (ie. Total Equity, Net Income) were negative for both periods.

For the sake of illustration however, presented below is the summary of the RV method:

PB RATIO	
Peer's Price-to-Book Ratio	0.7563
Total Equity, 2011 AFS	(756,352,078)
Total Equity Value	(571,991,923)
Illiquidity & Uncertainty Discount	20%
Net Equity Value	(457,593,539)

Under this method, we identified publicly listed holding companies in the Philippines that we can use as comparable companies. We started with several companies but narrowed the list down by excluding those that are much larger in size than MGHC, and those with price multiples we considered outliers.

After our evaluation, we decided to use the following companies, and applied their average price-to-book ratio to the negative total equity of MGHC, resulting in a negative net equity value using the RV method.

Company	Bloomberg Ticker	Price-to-Book Ratio*
ANGLO PHILIPPINE HLDGS	APO PM	0.84
F & J PRINCE HLDGS CORP-A	FJP PM	0.69
SOLID GROUP INC	SGI PM	0.26
WELLEX INDUSTRIES INC	WIN PM	0.96
REPUBLIC GLASS HLDGS CORP	REG PM	1.23
ATN HOLDINGS-A SHS	ATN PM	0.67
HOUSE OF INVESTMENTS	HI PM	0.64
Average:		0.7563

\*As of March 31, 2012

While we are presenting our sample computation using the RV method, we are of the opinion that it is not an appropriate method to value MGHC due to the Company's financial performance at the time the conversion price was set.

### VII. Conclusion

Based on our review of the operation and financial performance of MGHC, we deemed the NAV method to be most appropriate in valuing the Company. Using the information submitted to and secured by MIB Capital and our pertinent analyses thereof, our computed values per share of MGHC were from Php 0.0425 to Php 0.0437, below its par value of Php 1.00 per share. According to the Corporation Code of the Philippines, a company cannot issue a share of stock for a consideration less than its par value. Regardless of the resulting valuation of MGHC, therefore, the value of a share of MGHC common stock for purposes of new issuance must be no lower than its par value.

Based on the aforecited processes and limitation, we concluded that the conversion of the Php 800.0 million owed to FEMI into 800.0 million common shares at the par value of Php 1.00 per share was appropriate.

Net Asset Value Method	Amount in Php	
December 31, 2011	0.0437	
March 31, 2012	0.0425	

MIB CAPITAL CORPORATION

Marilou C. Cristobal

Chairperson

Dindo Antonio T. Caguiat President

Date of Report: September 15, 2023

Debt to Equity Conversion - Metro Global Holdings Corp.

# ANNEX "I"

No.	Date of Disclosure/ Resolutions of Board of Directors	Subject
1	6 June 2024	Approval by the Corporate Governance Committee on the Final List of Nominees for Directors for the ensuing year.
2	20 June 2024	<ul> <li>An advisory on the results of the Board Meeting:</li> <li>a. Approval on the extension of the term of Francisco C. Gonzalez as Independent Director of the Corporation for an additional year.</li> </ul>
3	25 June 2024	<ul> <li>An advisory on the results of the meeting of Board of Directors held on 20 June 2024:</li> <li>a. Approval of Item#8 of the revised Agenda below: <ol> <li>Call to Order</li> <li>Determination and Certification of Quorum</li> <li>Approval of the Minutes of the Previous Meeting held on October 12, 2023</li> <li>Report of the Chairman</li> <li>Approval of the Audited Financial Statements for the calendar year ended December 31, 2023</li> <li>Ratification of all Acts and Resolutions of the Board, Board Committees and Management for the years 2023 to 2024</li> <li>Election of Directors (including Independent Directors)</li> <li>Approval of the 1-year term extension of Independent Director Francisco C. Gonzalez</li> <li>Election of External Auditor</li> <li>Other Matters</li> <li>Adjournment</li> </ol> </li> </ul>
4	1 July 2024	Approval by the Board of Directors on the Issuance of Guaranty Letter in favor of its subsidiary, Metro Solar Power Solutions, Inc. (MSPSI), to guaranty the funding of the Work Programs of MSPSI in relation to its 65.39 $MW_{DC}$ (54.30 $MW_{AC}$ ) Pililla Solar Power Project located in Pililla, Rizal.
5	17 July 2024	Approval by the Board of Directors on the engagement of MIB Capital Corporation to act as an independent Fairness Opinion Provider to the Corporation in connection with the conversion of a portion of the liabilities of the Corporation to Fil-Estate Management, Inc., amounting to Php500.00 million into equity of the Corporation at a conversion price of Php1.00 per share.
6	25 July 2024	<ul> <li>An advisory on the results of the Annual Stockholders' Meeting:</li> <li>a. Approval of the Minutes of Annual Meeting of Stockholders held on 12 October 2023;</li> <li>b. Approval of the Annual Report and Audited Financial Statements of the Company for the calendar year ended 31 December 2023;</li> <li>c. Confirmation and ratification of all acts, contracts, resolutions and proceeding made and entered into by Management and/or the Board of Directors and the various Committees from October 12, 2023 up to the present;</li> <li>d. Approval on the extension of the Board term of Independent Director Francisco C. Gonzalez for another year following his previous 9-year limit;</li> </ul>

		<ul> <li>e. Approval on the Appointment of Isla Lipana &amp; Co. as the Company's independent external auditor; and</li> <li>f. Election of Directors for the year 2024 up to 2025.</li> </ul>
7	25 July 2024	<ul> <li>An advisory on the results of the Organizational Meeting:</li> <li>a. Re-election and re-appointment of the Chairman of the Board and Officers of the Company;</li> <li>b. Constitution of the Board Committees; and</li> <li>c. Re-appointment of Banco de Oro Universal Bank – Stock Transfer Services Unit as Stock Transfer Agent.</li> </ul>
8	14 August 2024	<ul> <li>An advisory on the results of the Board Meeting:</li> <li>a. Approval of the unaudited financial statement quarterly report prepared by the Corporation's Accounting Department for the second quarter ended 30 June 2024 as recommended by the Audit Committee.</li> </ul>
9	8 November 2024	<ul> <li>An advisory on the results of the Board Meeting:</li> <li>a. Approval of the unaudited financial statement quarterly report prepared by the Corporation's Accounting Department for the third quarter ended 30 September 2024 as recommended by the Audit Committee.</li> </ul>
10	25 November 2024	Recommending approval by the Corporate Governance Committee on the engagement of Center for Global Best Practices to act as training provider to the Corporation in connection with the 2024 SEC Mandatory Corporate Governance Seminar to be held via Zoom on 17 December 2024 (Tuesday) at 1PM to 5PM.
11	10 March 2025	<ul> <li>i. Approval by the Board of Directors on the authority to reactivate and/or close current Peso Account and Dollar Account in Land Bank of the Philippines Ortigas Center–Pearl Drive Branch with office address at G/F Tycoon Centre Building, Pearl Drive, Ortigas Center, San Antonio, Pasig City;</li> <li>ii. Approval of the Board to transact with Land Bank of the Philippines Ortigas Center–Pearl Drive Branch, address at G/F Tycoon Centre–Pearl Drive Ortigas, Pasig City for the reactivation and maintenance of banking products and services such as to reactivate and maintain depository accounts, avail of credit facilities, transact trade receivables, foreign exchange transactions, electronic banking services, and funds transfer.</li> </ul>
12	10 April 2025	Approval by the Board of Directors on the appointment of Mr. Robert John L. Sobrepeña as proxy for Metro Global Holdings Corporation's shares and to be the Corporation's duly authorized representative and proxy during the Special Stockholders' Meeting of Metro Rail Transit Holdings II, Inc. to be held on 25 April 2025, at 10 o'clock in the morning at the 2 <sup>nd</sup> Floor, The Renaissance Tower, Meralco Avenue, Pasig City.
13	22 April 2025	Approval by the Corporate Governance Committee on the Board/Committee /Individual Director's Self-Assessment Forms and recommendation by the Committee for the distribution of such Assessment Forms to the Board Directors.
14	25 April 2025	Approval by the Corporate Governance Committee of the Final List of Nominees for Directors for the ensuing year.

15	25 April 2025	<ul> <li>An advisory on the results of the Board Meeting:</li> <li>a. Approval on the calling of the Annual Meeting of Shareholders on 24 July 2025, 10:00AM via video conference and setting June 25, 2025 as the set record date for determination of shareholders who shall be entitled to notice of and to vote at said annual meeting;</li> <li>b. Approval on the Agenda for the Annual Shareholders' Meeting;</li> <li>c. Approval on the Audited Financial Statements as of and for the year ended 31 December 2024;</li> <li>d. Approval on the nominees for election to the Board of Directors during the Annual Stockholders' Meeting which will be held on 24 July 2025;</li> <li>e. Approval on the extension of the Board Term of Independent Director Francisco C. Gonzalez for another year; and</li> <li>f. Approval on the re-appointment of Isla Lipana &amp; Co. as the Company's external auditors for 2025-2026.</li> </ul>
16	25 April 2025	<ul> <li>An advisory on the results of the Board Meeting:</li> <li>a. Approval on the extension of the term of Francisco C. Gonzalez as Independent Director of the Corporation for an additional</li> </ul>
		year.
17	2 May 2025	Approval by the Board of Directors on the appointment of Mr. Robert John L. Sobrepeña as proxy for Metro Global Holdings Corporation's shares and to be the Corporation's duly authorized representative and proxy during the Special Stockholders' Meeting of Metro Rail Transit Holdings, Inc. to be held on 8 May 2025, at 10 o'clock in the morning at the 2 <sup>nd</sup> Floor, The Renaissance Tower, Meralco Avenue, Pasig City.
18	13 May 2025	<ul> <li>An advisory on the results of the Board Meeting:</li> <li>a. Approval of the unaudited financial statement quarterly report prepared by the Corporation's Accounting Department for the first quarter ended 31 March 2025 as recommended by the Audit Committee.</li> </ul>
19	23 May 2025	Recommendation for Board Approval by the Corporate Governance Committee of the 2024 Integrated Annual Corporate Governance Report
20	26 May 2025	Approval by the Board of Directors of the 2024 Integrated Annual Corporate Governance Report

# **ANNEX J**

# FAIRNESS OPINION REPORT ON THE CONVERSION OF PHP200.15 MILLION IN LIABILITIES INTO EQUITY SHARES OF METRO GLOBAL HOLDINGS CORPORATION

28

Prepared By:



September 15, 2023

This Fairness Opinion report (the "Report") was prepared by:

# MIB CAPITAL CORPORATION

("MIB Capital" or the "Fairness Opinion Provider")

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Date of Report September 15, 2023

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# I. Executive Summary

#### BACKGROUND AND OBJECTIVE

This report was prepared by MIB Capital Corporation as an independent fairness opinion provider to Metro Global Holdings Corporation ("MGHC" or the "Company") with the objective of rendering a fairness opinion on the conversion of a portion of its liabilities to Fil-Estate Management, Inc. ("FEMI") amounting to Php200.15 million into equity shares of MGHC at a conversion price of Php 1.00 per share.

The conversion of liabilities into equity shares was approved by the Board of Directors on May 6, 2014, and by the Securities and Exchange Commission ("SEC") on September 4, 2014.

#### ASSUMPTIONS AND LIMITATIONS

In preparing our fairness opinion, we relied on documents which were either provided by the Company or sourced from Bloomberg. For documents provided by the Company, MIB Capital considered the data as reliable and accurate. We did not verify or validate any information presented by the Company except where explicitly stated and discussed in the Results and Findings section of this report. Our analysis and procedures did not include verification work or constitute an audit in accordance with Philippine Standards on Auditing.

For information acquired from Bloomberg, we assumed that the information contained therein were accurate.

#### FINDINGS

#### **Debt Validation**

The Board of Directors of MGHC approved the conversion of the liabilities to FEMI amounting to Php 200.15 million into equity on May 6, 2014. To determine whether the Php 200.15 million liabilities which were converted into common shares were outstanding prior to the Board approval on May 6, 2014, we reviewed MGHC's interim and audited financial statements, deed of assignment, and the Certificate of Approval of Valuation from the SEC.

Based on the documentations provided to us, we validated the existence of the PHP 200.15 million advances prior to the Board approval in May 2014.

#### Equity Valuation

Since the conversion of debt into equity, as well as the conversion price, was approved by the Board of Directors in May 2014, we found it appropriate to focus on historical financial statements of the Company, to determine whether the conversion price was fair at the time of the Board approval.

Since the DCF method focuses on future cash flows of a company, we are of the opinion that it is not an appropriate method to compute for the estimated value of MGHC at the time the Board approval was secured. Also, the VWAP method was not used in our valuation because the shares of MGHC have not

been traded since 2007. Due to the aforecited reasons, we decided to take a closer look at the Relative Valuation (RV) and Net Asset Value (NAV) methods instead to compute for the estimated value of MGHC.

For the RV method, we noted that MGHC only recorded an insignificant amount of interest income as its revenue in its interim FS and AFS, resulting in net losses for both periods. Moreover, its Balance Sheet also reflected a capital deficiency. This meant that the Relative Valuation method is not applicable as it would result in a negative figure regardless of the price multiples of the comparable companies, since the financial inputs of MGHC (ie. Total Equity, Net Income) were negative for both periods.

#### Asset Approach / Net Asset Value

We computed for the Company's NAV using both its interim and audited financial statements immediately prior to the decision to convert the amount owed to FEMI into equity. The NAV method valued MGHC based on the market or net realizable values of its balance sheet items. To arrive at the NAV, we focused on the assets of the Company and determined if any of the accounts needed to be adjusted to either their net realizable or fair market value.

After deducting the adjusted Total Liabilities from the Total Assets, the NAV of the Company based on its financial statements are as follows:

	DECEMBER 2013	MARCH 2014
Estimated Value in Php	160,542,210	151,897,943
Estimated Per-Share Value in Php	0.0893	0.0845

#### CONCLUSION

Based on our review of the operation and financial performance of MGHC, we deemed the NAV method to be most appropriate in valuing the Company. Using the information submitted to and secured by MIB Capital and our pertinent analyses thereof, our computed values per share of MGHC were from Php 0.0845 to Php 0.0893, below its par value of Php 1.00 per share. According to the Corporation Code of the Philippines, a company cannot issue a share of stock for a consideration less than its par value. Regardless of the resulting valuation of MGHC, therefore, the value of a share of MGHC common stock for purposes of new issuance must be no lower than its par value.

Based on the aforecited processes and limitation, we concluded that the conversion of the Php 200.15 million owed to FEMI into 200.15 million common shares at the par value of Php 1.00 per share was appropriate.

Net Asset Value Method	Amount in Php
December 31, 2013	0.0893
March 31, 2014	0.0845

### II. Objective

This report was prepared by MIB Capital Corporation as an independent fairness opinion provider to Metro Global Holdings Corporation ("MGHC" or the "Company") with the objective of rendering a fairness opinion on the conversion of a portion of its liabilities to Fil-Estate Management, inc. ("FEMI") amounting to Php 200.15 million into equity shares of MGHC at a conversion price of Php 1.00 per share.

The conversion of liabilities into equity shares was approved by the Board of Directors on May 6, 2014, and by the Securities and Exchange Commission ("SEC") on September 4, 2014.

# III. Sources of Information

The Company provided us with the following information and materials:

- a) Interim financial statements of MGHC as of March 31, 2014
- b) Audited financial statements of MGHC for the year ended December 31, 2013
- c) Deed of Assignment between MGHC and FEMI dated August 20, 2014
- d) Certificate of Approval of Valuation from the SEC dated September 4, 2014
- General Information Sheet of MGHC for the year 2022
- f) Corporate Profile of MGHC and FEMI

In addition to the materials provided by MGHC, we also referred to Bloomberg for the basic description and financial information of select holding companies listed in the Philippine Stock Exchange.

# IV. Assumptions and Limitations of the Study

In preparing our fairness opinion, we relied on the documents enumerated above which were either provided by the Company or sourced from Bloomberg.

For documents provided by the Company, MIB Capital considered the data as reliable and accurate. We did not verify or validate any information presented by the Company except where explicitly stated and discussed in the Results and Findings section of this report. Our analysis and procedures did not include verification work or constitute an audit in accordance with Philippine Standards on Auditing.

Based on the documents provided by the Company, we assumed the following:

- That the liabilities (which were the subject of the Transaction) were valid and outstanding as of the pertinent date.
- That the necessary corporate approvals for the issuance of common shares and the conversion
  of liabilities into common equity were obtained from their respective approving authorities.
- That the necessary agreements between MGHC and FEMI such as but not limited to the Debt-to-Equity Conversion Agreement were duly executed.

For information acquired from Bloomberg, we assumed that the information contained therein were accurate.

# V. Company Background

#### A. Corporate Background

Metro Global Holdings Corporation, 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.

The Company's key investment is in the form of equity interests: a) 18.6% interest in Metro Rail Transit Holdings, Inc. (MRTHI) and b) 12.6% interest in Metro Rail Transit Holdings II, Inc. (MRTHI). MRTHI owns 84.9% interest in MRTHI, 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.

As provided under the BLT Agreement, upon completion of the LRTS, the DOTC shall operate the same and pay MRTC guaranteed rental fees for a period of twenty-five (25) years, from date of completion. The rental fees are used to pay debt to foreign funders, equity rental payments to stockholders of MRTC to guarantee a fifteen percent (15%) net economic return and maintenance fees.

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 OID Bonds were subsequently redeemed in full by delivering Asset-Backed Notes ("Notes") issued by MRT III Funding Corporation Limited (MRT III). Upon maturity of the Notes, MGHC used the proceeds to substantially settle its debts to FEMI.

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, 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.

On August 18, 2005, the Company and FEMI entered into a "Letter of Agreement", whereby FEMI 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.

#### B. Board of Directors and Management Officers

Presented below are the directors and key management officers of MGHC as of the date of the Report:

Name	Citizenship	Executive Position
Robert John L. Sobrepeña	Filipino	Chairman of the Board
Ferdinand T. Santos	Filipino	President
Noel M. Cariño	Filipino	Director
Rafael Perez de Tagle, Jr	Filipino	Director
Roberto S. Roco	Filipino	Director
Alice Odchigue-Bondoc	Filipino	Director
Francisco C. Gonzalez	Filipino	Director, Independent
Jaime M. Cacho	Filipino	Director
Jose Wilfrido M. Suarez	Filipino	Director, Independent
Gilbert Raymund T. Reyes	Filipino	Corporate Secretary

# VI. Results and Findings

#### A. Debt Validation

The Board of Directors of MGHC approved the conversion of the liabilities to FEMI amounting to Php 200.15 million into equity on May 6, 2014. To determine whether the Php 200.15 million liabilities which were converted into common shares were outstanding prior to the Board approval on May 6, 2014, we referred to MGHC's interim FS as of March 31, 2014 ("Interim FS"), and its audited FS for the year 2013 ("AFS").

Based on the Interim FS of MGHC, the *Due to a Stockholder* account amounted to Php 1,038,744,798, greater than the Php 200.15 million advances that were eventually converted into equity. We also checked MGHC's AFS and the same account amounted to Php 1,030,523,118. The notes to the AFS disclosed that the *Due to a Stockholder* account pertained to advances from FEMI arising mainly from FEMI's payment of MGHC's bank loans including interests and penalties.

Aside from checking the Company's financial statements, we also secured from the MGHC a copy of the deed of assignment between MGHC and FEMI which was executed on August 20, 2014. In the document, it was stated that MGHC intended to assign, transfer, cede and convey to FEMI its 200.15 million common shares in settlement of the outstanding receivables of FEMI from MGHC amounting to Php 200.15 million.

Lastly, MGHC also provided us its Certificate of Approval of Valuation from the SEC executed on September 4, 2014.

Based on the documentations provided to us, we validated the existence of the PHP 200.15 million advances prior to the Board approval in May 2014.

#### B. Equity Valuation Approaches

After validating the existence of the debt, we determined that the conversion price of PHP 1.00 per share was fair. We looked at four (4) possible approaches to value the shares of MGHC:

#### 1. Asset Approach - Net Asset Value (NAV)

The Net Asset Value approach derives the value of a company from the adjustment of the assets and liabilities to reflect their current market value or net realizable values. This method is deemed to provide a more meaningful valuation of asset-intensive businesses such as natural resource companies and property firms. This approach is also used to value companies that are projected to incur losses over a period of time.

#### 2. Market Approach - Volume-Weighted Average Share Price (VWAP)

The volume-weighted average share price approach considers the share price of a publicly listed and traded company within a trading period. This method uses a market determined valuation and is applicable for companies with significant liquidity and trading activity. However, it is not applicable for privately held companies and not appropriate for publicly listed companies with illiquid or thinly traded shares.

#### 3. Market Approach - Relative Valuation

One approach to stock valuation is the Relative Valuation Method which measures the value of the company relative to that of another company or a group of companies. It typically uses price multiples of comparable companies. Comparable firms are defined as those in the same line of business and with similar growth and risk profile. The rationale behind price multiples is the need to evaluate a stock's price in relation to what it buys in terms of assets, earnings or some other measure of value.

There are a number of multiples which can be used to calculate the price of a stock of a company being valued, among which are Price-to-Book (P/B) and Enterprise Value-to-EBITDA (EV/EBITDA) multiples.

#### 4. Income Approach - Discounted Cash Flow (DCF)

The DCF approach is used to estimate the value of an investment by using future free cash flow projections and discounting them to arrive at a present value. The discount rate is equivalent to the rate of return that equity investors require to finance a project. This is normally based on the risk-free rate plus a risk premium multiplied by the beta coefficient of the company. The higher the perceived risk of an investment, the higher the risk premium should be.

The total present value of these future earnings, including the terminal value, represents the theoretical price of the shares.

#### C. Applicable Equity Valuation Methods

Since the conversion of debt into equity, as well as the conversion price, was approved by the Board of Directors in May 2014, we found it appropriate to focus on historical financial statements of the Company, in order to determine whether the conversion price was fair at the time of the Board approval.

Since the DCF method focuses on future cash flows of a company, we are of the opinion that it is not an appropriate method to compute for the estimated value of MGHC at the time the Board approval was secured.

Also, the VWAP method was not used in our valuation because the shares of MGHC have not been traded since 2007. Based on the disclosure in their website, MGHC voluntarily suspended the trading of its shares since March 20, 2007, to allow the Company to re-align its business and explore new strategic directions.

Due to the aforecited reasons, we used the NAV and RV methods instead to compute for the estimated value of MGHC at the time of the Board approval in May 2014.

#### **D. Equity Valuation**

#### 1. Asset Approach / Net Asset Value (NAV)

We computed for the Company's NAV using both its interim and audited financial statements immediately prior to the decision to convert the amount owed to FEMI into equity. The NAV method valued MGHC based on the market or net realizable values of its balance sheet items. To arrive at the NAV, we focused on the assets of the Company and determined if any of the accounts needed to be adjusted to either their net realizable or fair market value.

#### NAV using MGHC's 2013 Audited Financial Statements (the "AFS")

	December 31, 2013	ADJUSTMENTS	NET ADJUSTED VALUE
Current Asset			
Cash on hand and in banks	92,392	0	92,392
Noncurrent Assets			
Available-for-sale financial assets	1,722,825,729	0	1,722,825,729
Total Assets	1,722,918,121		1,722,918,121
Current Liabilities			
Accrued expenses and other current liabilities	398,534,169	0	398,534,169
Noncurrent Liabilities			
Due to a stockholder	1,030,523,118	-200,150,000	830,373,118
Due to other related parties	333,468,624	0	333,468,624
Total Noncurrent liabilities	1,363,991,742		1,163,841,742
TOTAL LIABILITIES	1,762,525,911		1,562,375,911
NET ASSET VALUE	-39,607,790		160,542,210
Number of Shares	1,798,403,181		1,798,403,181
NAV per share	-0.0220		0.0893

Presented below is the Net Asset Value computation as of December 31, 2013:

#### Assets

Based on the Company's AFS, its assets were mainly composed of its available-for-sale financial assets, and the total amount of this account was further broken down into the following:

	2013
Unquoted equity securities	Php 1,713,991,741
Quoted equity securities	8,833,988
TOTAL	Php 1,722,825,729

The unquoted securities amounting to Php 1,713,991,741 pertained to MGHC's 18.6% interest in MRTHI and 12.6% interest MRTHI. The reflected amount was computed by deducting Php 1,567,446,876 as an adjustment under PAS 39, which was the accounting standard for the recognition and measurement of financial instruments at the time, and an impairment loss of Php 49,705,499 from the acquisition cost of Php 3,331,144,116.

As discussed in Section V.A of this Report, with the sale of the future share distributions from ERPs of the LRTS Phase I project of MRTC, the Company does not recognize its share in earnings of MRTC arising from the ERPs of the LRTS Phase I Project. Despite this however, the Management believed that the carrying amount of the investments in MRTHI and MRTH II can be realized in the future through:

- The Company's share in any additional variable ERP received by MRTC from DOTC in the form of a ridership bonus or sharing scheme which were not included in the future share distributions sold;
- · The Company's share in the benefits arising from the residual rights in the expansion project; and
- The Company's put option to use the shares of stocks of MRTHI and MRTH II to pay-off its net advances from FEMI.

Aside from the adjustment under PAS 39, the auditors also found sufficient basis to deduct an impairment loss from this account during the relevant year.

Based on the statements by the Management and the fact that the AFS was audited by a reputable audit firm, we considered the adjusted amount as reliable and found sufficient basis to use it in our valuation.

#### Liabilities

As of December 31, 2013, the liabilities owed to FEMI amounting to Php 200.15 million were still recorded as liability. Given the deed of assignment entered into between MGHC and FEMI on August 20, 2014, we opted to deduct the amount of advances from the noncurrent liability account. All other liabilities were retained as these remained outstanding obligations of the Company.

#### Net Adjusted Value

After deducting the adjusted Total Liabilities from the Total Assets, the NAV of the Company based on its AFS was computed at Php 160,542,210. This translated to a NAV per share of PHP 0. 0.0893.

#### NAV using MGHC's Q1 2014 Interim Financial Statements (the "Interim FS")

	March 31, 2014	ADJUSTMENTS	NET ADJUSTED VALUE
Current Asset			
Cash on hand and in banks	135,663	0	135,663
Noncurrent Assets			
Available-for-sale financial assets	1,722,590,463	0	1,722,590,463
Total Assets	1,722,726,126		1,722,726,126
Current Liabilities			
Accrued expenses and other current liabilities	398,764,761	0	398,764,761
Noncurrent Liabilities			
Due to a stockholder	1,038,744,798	-200,150,000	838,594,798
Due to other related parties	333,468,624	0	333,468,624
Total Noncurrent liabilities	1,372,213,422		1,172,063,422
TOTAL LIABILITIES	1,770,978,183		1,570,828,183
NET ASSET VALUE	-48,252,057		151,897,943
Number of Shares	1,798,403,181		1,798,403,181
NAV per share	-0.0268		0.0845

Presented below is the Net Asset Value computation as of March 31, 2014:

Aside from MGHC's AFS, we also took into consideration its latest interim financial statements prior to the Board approval. After our evaluation, the only adjustment made to the accounts was the reduction in the *Due to a Stockholder* account by Php 200.15 million, since these pertained to the liabilities which were eventually converted into equity. After deducting the adjusted Total Liabilities from the Total Assets, Net Asset Value of the Company was computed at Php 151,897,943 or Php 0.0845 per share.

Below is the summary of the values computed using the NAV method:

	DECEMBER 2013	MARCH 2014
Estimated Value in Php	160,542,210	151,897,943
Estimated Per-Share Value in Php	0.0893	0.0845

#### 2. Market Approach / Relative Valuation Method

For our second valuation method, we considered the Relative Valuation Method which measures the value of a company relative to that of another company or a group of companies.

However, we noted that MGHC only recorded an insignificant amount of interest income as its revenue in its interim FS and AFS, resulting in net losses for both periods. Moreover, its Balance Sheet also reflected a capital deficiency. This meant that the Relative Valuation method is not applicable as it would result in a negative figure regardless of the price multiples of the comparable companies, since the financial inputs of MGHC (ie. Total Equity, Net Income) were negative for both periods.

For the sake of illustration however, presented below is the summary of the RV method:

PB RATIO	PB RATIO	
Peer's Price-to-Book Ratio	0.6585	
Total Equity, 2013 AFS	(39,607,790)	
Total Equity Value	-26,081,742	
Illiquidity & Uncertainty Discount	20%	
Net Equity Value	-20,865,394	

Under this method, we identified publicly listed holding companies in the Philippines that we can use as comparable companies. We started with several companies but narrowed the list down by excluding those that are much larger in size than MGHC, and those with price multiples we considered outliers.

After our evaluation, we decided to use the following companies, and applied their average price-to-book ratio to the negative total equity of MGHC, resulting in a negative net equity value using the RV method.

Company	Bloomberg Ticker	Price-to-Book Ratio*
ANGLO PHILIPPINE HLDGS	APO PM	0.77
F & J PRINCE HLDGS CORP-A	FJP PM	0.89
SOLID GROUP INC	SGI PM	0.25
WELLEX INDUSTRIES INC	WIN PM	0.73
REPUBLIC GLASS HLDGS CORP	REG PM	0.92
ATN HOLDINGS-A SHS	ATN PM	0.46
HOUSE OF INVESTMENTS	HIPM	0.58
Average:		0.6585

\*As of March 31, 2014

While we are presenting our sample computation using the RV method, we are of the opinion that it is not an appropriate method to value MGHC due to the Company's financial performance at the time the conversion price was set.

## VII. Conclusion

Based on our review of the operation and financial performance of MGHC, we deemed the NAV method to be most appropriate in valuing the Company. Using the information submitted to and secured by MIB Capital and our pertinent analyses thereof, our computed values per share of MGHC were from Php 0.0845 to Php 0.0893, below its par value of Php 1.00 per share. According to the Corporation Code of the Philippines, a company cannot issue a share of stock for a consideration less than its par value. Regardless of the resulting valuation of MGHC, therefore, the value of a share of MGHC common stock for purposes of new issuance must be no lower than its par value.

Based on the aforecited processes and limitation, we concluded that the conversion of the Php 200.15 million owed to FEMI into 200.15 million common shares at the par value of Php 1.00 per share was appropriate.

Net Asset Value Method	Amount in Php
December 31, 2013	0.0893
March 31, 2014	0.0845

#### MIB CAPITAL CORPORATION

Marilou C. Cristobal Chairperson

Dindo Antonio T. Caguiat President

Date of Report: September 15, 2023