

COVER SHEET

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SEC Registration Number

P H I L I P P I N E I N F R A D E V H O L D I N G S I N C .
(Company's Full Name)

3 8 T H F L O O R R U F I N O *

P A C I F I C T O W E R A Y A L A A V E

M A K A T I C I T Y

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

DELFIN P. ANGCAO
Contact Person

8817 6791
Company Telephone Number

ASM 2022 DEFINITIVE INFORMATION STATEMENT

1 2 3 1
Month Day
Fiscal Year

FORM TYPE

0 9 3 0
Month Day
Annual Meeting

N/A

Secondary License Type, If Applicable

M SR D

Dept Requiring this Doc

N/A

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

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Remarks: Please use BLACK ink for scanning purposes

PHILIPPINE INFRADEV HOLDINGS INC.

38F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City
Tel No. 8283-8459 and 8283-8294 Fax No. 8751-0773

October 17, 2022

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Dear Stockholder:

Please be notified that the annual meeting of the stockholders of **PHILIPPINE INFRADEV HOLDINGS INC.** (formerly IRC PROPERTIES, INC.; the "Company") will be held on December 5, 2022, Monday, at 2:00 p.m. through remote communication or *in absentia*. The Chairman of the meeting shall call and preside the meeting in Metro Manila which is the place where the principal office of the Company is located. The meeting may be accessed thru the link provided by the Corporation to all the stockholders of record as of November 15, 2022 or their proxies who have registered to attend the meeting. The agenda of the meeting is as follows:

1. Call to Order
2. Proof of notice of meeting and certification of quorum
3. Approval of the minutes of the previous meeting of the stockholders
4. Management report and approval of the 2021 audited financial statements
5. Ratification of resolutions, contracts and acts of the Board of Directors and Management
6. Election of directors
7. Appointment of external auditors
8. Other Matters
9. Adjournment

For purposes of the meeting, the stockholders of record as of November 15, 2022 shall be entitled to notice of, participation via remote communication, and voting *in absentia* at such meeting and any adjournment thereof.

You may vote *in absentia* or through proxy by submitting (i) the original signed and accomplished Proxy/Ballot form attached to this notice by mail, courier or manual delivery to the front desk of the Corporation's principal office at 38th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223; or (ii) **a scanned copy thereof by email at the Corporation's email address at admin@infra.com.ph** Deadline for submission of Proxy/Ballot is on or before 5:00 pm of November 25, 2022. Corporate stockholders should attach to the Proxy/Ballot a notarized Secretary's Certificate attesting to the authority of their representative to execute the Proxy/Ballot. When signing as attorney-in-fact, executor, administrator, guardian or in any representative capacity, please give full title and file papers showing your authority. Validation of proxies shall be held on November 29, 2022 at 2:00pm.

Successfully verified stockholders voting in absentia or by proxy will receive an email from the Corporation providing them the weblink to be able to access the live streaming of the meeting.

Electronic copies of the Notice of the Meeting, Definitive Information Statement, Management Report, SEC Form 17A, and other related documents in connection with the annual meeting may be accessed through the Corporation's website at <https://www.infra.com.ph/news/annual-stockholders-meeting-2022/> and through the PSE Edge portal at <https://edge.pse.com.ph/>.

For any concerns, please reach us through admin@infra.com.ph

For complete information on the Corporation's annual meeting, please visit <https://www.infra.com.ph/news/annual-stockholders-meeting-2022/>



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DELFIN P. ANGCAO
Corporate Secretary

[For Individual Stockholder]

INSTRUCTIONS:

1. Material erasures or alterations shall not affect the validity of the Proxy/Ballot provided that the stockholder affixes his/her full signature beside such erasures or alterations. The initials of the said stockholder are not sufficient to validate the Proxy/Ballot unless the said initials are also the said stockholder's customary signature.
2. Please submit either (i) the original signed and accomplished Proxy/Ballot form by mail, courier or manual delivery to the front desk of the Corporation's principal office at 38th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223; or (ii) a scanned copy thereof by email at the Corporation's email address at admin@infra.com.ph. Deadline for the submission of Proxy/Ballot is on or before 5:00 pm of November 25, 2022.

PROXY/BALLOT FORM

PHILIPPINE INFRADEV HOLDINGS INC.

[PLEASE CHECK OR MARK THE APPROPRIATE BOX BELOW]

VOTING IN ABSENTIA:	VOTING BY PROXY:
The undersigned hereby votes as indicated below.	The Undersigned hereby appoints the Chairman of the Board of Directors of PHILIPPINE INFRADEV HOLDINGS INC. (the "Corporation"), or in his absence, the President of the Corporation to act for me/us and on my/our behalf at the PHILIPPINE INFRADEV HOLDINGS INC. Annual Stockholders' Meeting to be held on December 5, 2022 (and as may be rescheduled and/or adjourned) and to vote for me/us as indicated below, or, if no such indication is given, as my/our proxy thinks fit:

	RESOLUTION	<i>Please check or mark the appropriate box</i>		
		FOR	AGAINST	ABSTAIN
1	Approval/ratification of the minutes of the previous meeting of the stockholders			
2	Approval the management report and the 2022 audited financial statements			

3	Ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date			
4	Appointment of Independent Auditor (Isla Lipana & Co.)			
5	Election of Directors for the term 2022-2023. (Note: If you want to vote by cumulative voting, kindly also indicate opposite the name of the nominee director/s that you are voting FOR, the number of votes that you want to give such nominee director/s, provided that the total number of votes cast shall not exceed the number of shares owned multiplied by the number of directors to be elected).			
	<i>For Regular Directors:</i>			
	1. Ren Jinhua			
	2. Antonio L. Tiu			
	3. Georgina A. Monsod			
	4. Keinth Roger B. Castillo			
	5. Cao Lei			
	6. Ren Youmin			
	7. Claro F. Certeza			
	8. Zhang Shengman			
	9. Laiza Rose R. Lamzen			
	<i>For Independent Directors:</i>			
	10. Benedict Lim			
	11. Jose Gerardo A. Medina			

IN CASE THIS PROXY/BALLOT IS SIGNED AND RETURNED IN BLANK

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of previous meeting of the stockholders;
- FOR the approval of the management report for 2022 audited financial statements;
- FOR the confirmation and ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date;
- FOR the election of the following directors for the term 2022-2023:

1. Ren Jinhua (Director)
2. Antonio L. Tiu (Director)
3. Georgina A. Monsod (Director)
4. Keinth Roger B. Castillo (Director)
5. Cao Lei (Director)
6. Ren Youmin (Director)

7. Claro F. Certeza (Director)
8. Zhang Shengman (Director)
9. Laiza Rose R. Lamzen (Director)
10. Benedict Lim (Independent Director)
11. Jose Gerardo A. Medina (Independent Director)

- FOR the approval of the appointment of Isla Lipana & Co. (PricewaterhouseCoopers-Philippines) as the Corporation's external auditors; and

- TO authorize the Proxy to vote according to the Proxy's discretion on any matter that may come before the meeting

A Proxy/Ballot that is returned without a signature shall not be valid.

VALIDATION OF PROXIES

Validation of proxies shall be on November 29, 2022 at 2:00 pm at the principal office of the Corporation.

REVOCAATION OF PROXIES:

A stockholder giving a proxy has the power to revoke it at any time before the validation of proxies on November 29, 2022 at 2:00 pm by submitting either (i) the original signed letter of revocation by mail, courier or manual delivery to the front desk of the Corporation's principal office at 38h Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223; or (ii) a scanned copy thereof by email at the Club's email address at admin@infra.com.ph

Date

(Signature above printed name of Stockholder)

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[For Corporate Stockholder]

INSTRUCTIONS:

1. This Proxy/Ballot form must be accompanied by a notarized Secretary’s Certificate of the company’s Board Resolution appointing and authorizing its representative to accomplish this Proxy/Ballot form.
2. Material erasures or alterations shall not affect the validity of the Proxy/Ballot provided that the person authorized to accomplish this Proxy/Ballot form affixes his/her full signature beside such erasures or alterations. The initials of the said authorized person are not sufficient to validate the Proxy/Ballot, unless the said initials are also the said person’s customary signature.
3. Please submit either (i) the original signed and accomplished Proxy/Ballot form by mail, courier or manual delivery **to the front desk of the Corporation’s principal office at 38th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223**; or (ii) a scanned copy thereof by email at the Corporation’s email address at admin@infra.com.ph. Deadline for the submission of Proxy/Ballot is on or before 5:00 pm of November 25, 2022.

PROXY/BALLOT FORM

PHILIPPINE INFRADEV HOLDINGS INC.

[PLEASE CHECK OR MARK THE APPROPRIATE BOX BELOW]

VOTING IN ABSENTIA:	VOTING BY PROXY:
<p>The undersigned hereby votes as indicated below.</p>	<p>The Undersigned hereby appoints the Chairman of the Board of Directors of PHILIPPINE INFRADEV HOLDINGS INC.(the “Corporation”), or in his absence, the President of the Corporation to act for me/us and on my/our behalf at the PHILIPPINE INFRADEV HOLDINGS INC. Annual Stockholders’ Meeting to be held on December 5, 2022 (and as may be rescheduled and/or adjourned) and to vote for me/us as indicated below, or, if no such indication is given, as my/our proxy thinks fit:</p>

		<i>Please check or mark the appropriate box</i>		
	RESOLUTION	FOR	AGAINST	ABSTAIN
1	Approval/ratification of the minutes of the previous meeting of the stockholders			
2	Approval the management report and the 2022 audited financial statements			
3	Ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date			
4	Appointment of Independent Auditor (Isla Lipana & Co.)			
5	Election of Directors for the term 2022-2023 (Note: If you want to vote by cumulative voting, kindly also indicate opposite the name of the nominee director/s that you are voting FOR, the number of votes that you want to give such nominee director/s, provided that the total number of votes cast shall not exceed the number of shares owned multiplied by the number of directors to be elected).			
	<i>For Regular Directors:</i>			
	1. Ren Jinhua			
	2. Antonio L. Tiu			
	3. Georgina A. Monsod			
	4. Keinth Roger B. Castillo			
	5. Cao Lei			
	6. Ren Youmin			
	7. Claro F. Certeza			
	8. Zhang Shengman			
	9. Laiza Rose R. Lamzen			
	<i>For Independent Directors:</i>			
	10. Benedict Lim			
	11. Jose Gerardo A. Medina			

IN CASE THIS PROXY/BALLOT IS SIGNED AND RETURNED IN BLANK

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of previous meeting of the stockholders;
- FOR the approval of the management report for 2020 audited financial statements;
- FOR the confirmation and ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date;
- FOR the election of the following directors for the term 2022-2023:

1. Ren Jinhua (Director)
2. Antonio L. Tiu (Director)
3. Georgina A. Monsod (Director)
4. Keinth Roger B. Castillo (Director)
5. Cao Lei (Director)
6. Ren Youmin (Director)
7. Claro F. Certeza (Director)
8. Zhang Shengman (Director)
9. Laiza Rose R. Lamzen (Director)
10. Benedict Lim (Independent Director)

11. Jose Gerardo A. Medina (Independent Director)

- FOR the approval of the appointment of Isla Lipana & Co. (PricewaterhouseCoopers-Philippines) as the Corporation's external auditors; and
- To authorize the Proxy to vote according to the Proxy's discretion on any matter that may come before the meeting

A Proxy/Ballot that is returned without a signature shall not be valid.

VALIDATION OF PROXIES

Validation of proxies shall be on November 29, 2022 at 2:00 pm at the principal office of the Corporation.

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 (Printed Name of Corporate Stockholder)
 By:

 Signature over Printed name of
 Authorized Representative

 Address

**For Corporate Stockholders
 Sample Secretary Certificate to be attached to the Proxy Form**

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

SECRETARY’S CERTIFICATE

I, [*Name of Corporate Secretary*], of legal age, Filipino, with office address at [*Address of Corporate Secretary*], after having been sworn in accordance with law hereby depose and state that:

1. I am the Corporate Secretary of [*name of corporate stockholder of PHILIPPINE INFRADEV HOLDINGS INC.*] (the “**Corporation**”), with offices at _____;
2. ***In a meeting of the Board of Directors of the Corporation held at its office on _____, the following resolution was approved:***

“**RESOLVED**, That the Board of Directors of the Corporation authorize, as it hereby authorizes the following officers of the Corporation, to designate the proxy or otherwise act as proxy of the Corporation, authorized to vote the shares of the Corporation during the 2022 annual stockholders’ meeting of Philippine Infradev Holdings Inc., and any of the following is likewise authorized to sign, execute and deliver, any proxy form and such other documents, forms, instruments, or papers as may be required in order to represent the shares of the Corporation at the said annual stockholders’ meeting:

<i>Name</i>	<i>Specimen Signature</i>
_____	_____
_____	_____

IN WITNESS WHEREOF, I hereunto affixed my signature this _____,
at _____ City, Metro Manila.

Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in the City of _____, Philippines, this _____, by the affiant, whose identity I have confirmed through his/her Passport No. _____, bearing the affiant’s photograph and signature, and who showed to me his/her Community Tax Certificate No. _____ issued at _____ City, on _____, 2022.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2022.

**PHILIPPINE INFRADEV HOLDINGS INC.
2022 ANNUAL STOCKHOLDERS' MEETING**

AGENDA
Action Outline

1. Call to order

Upon the request of the Chairman of the Board of Directors, Mr. Ren Jinhua, the President, Mr. Antonio L. Tiu, will call the meeting to order.

2. Proof of notice of meeting and certification of quorum

The Corporate Secretary, Atty. Delfin P. Angcao, will certify that copies of the Notice of the meeting with the Definitive Information Statement (“DIS”) made accessible via website link were sent via courier to the stockholders of record at least 21 days before the meeting.

A copy of the Notice of the meeting, together with the DIS, Minutes of the previous annual meeting of the stockholders, and other documents related to the meeting were made available through the Company’s website at <https://www.infra.com.ph/news/annual-stockholders-meeting-2022/> and at the PSE Edge portal at <https://edge.pse.com.ph>.

Further, the Corporate Secretary will confirm whether a quorum exists for the valid transaction of business.

3. Approval of the minutes of the previous meeting of the stockholders

In accordance with SEC’s Notice dated April 20, 2020, a copy of the draft Minutes of the previous annual meeting of the stockholders was made available for examination at the Company’s website at <https://www.infra.com.ph/news/annual-stockholders-meeting-2021/>. The stockholders will be requested to approve the draft minutes. The following is the proposed resolution:

“RESOLVED, that the minutes of the Annual Stockholders’ Meeting of the Corporation held on December 20, 2021 be, as it is hereby, approved.”

4. Management report and approval of the 2021 audited financial statements

The EVP and COO Ms. Georgina A. Monsod will present the Management Report, the Corporation’s operational highlights and financial results, Audited Financial Statements for the year ended December 31, 2021, and interim period financial report. The 2021 Financial Statements were audited by the Corporation’s external auditor, Isla, Lipana & Co., and approved by the Corporation’s Audit and Related Party Transactions Committee and the Board of Directors. In compliance with regulatory requirements, the Audited Financial Statements have also been submitted to the Securities and Exchange Commission and the Bureau of Internal Revenue.

The stockholders will be requested to approve the Management Report and Audited Financial Statements for the year ended December 31, 2021. The following is the proposed resolution:

“RESOLVED, that the Management Report as presented by Ms. Monsod, EVP and COO, and the Corporation’s Audited Financial Statements for year ended December 31, 2021 be, as they are hereby, approved.”

5. Ratification of resolutions, contracts, and acts of the Board of Directors and Management

The acts, proceedings, transactions, contracts, agreements, resolutions and deeds of the Board of Directors, Management and/or Officers of the Corporation that were significant towards achieving the Corporation’s performance and results, and the stockholders will be requested to ratify the same. The following is the proposed resolution for approval of the stockholders:

“RESOLVED, that all acts, proceedings, transactions, contracts, agreements, resolutions and deeds, authorized and entered into by the Board of Directors, Management, and/or Officers of Philippine Infradev Holdings Inc. (the “Corporation”) from the date of the last annual stockholders’ meeting up to the present be, as they are hereby ratified, confirmed, and approved.”

6. Election of directors

It is proposed to elect the following individuals to the Board of Directors. The biographical profiles of the Nominee-Directors were provided in the Definitive Information Statement that was made accessible through the Company’s website. The Nominee-Directors are the following:

For Regular Directors:

1. Ren Jinhua
2. Antonio L. Tiu
3. Georgina A. Monsod
4. Keinth Roger B. Castillo
5. Cao Lei
6. Ren Youmin
7. Claro F. Certeza
8. Zhang Shengman
9. Laiza Rose R. Lamzen

For Independent Directors:

10. Benedict Lim
11. Jose Gerardo A. Medina

7. Appointment of external auditors

Upon the favorable recommendation of the Corporation’s Audit and Related Party Transactions Committee, the Corporation’s external auditor, Isla, Lipana & Co., is proposed to be reappointed as the Corporation’s external auditor for the current year 2022-2023. The audit partner-in-charge is currently Mr. Zaldy D. Aguirre. The following is the proposed resolution for approval of the stockholders:

“RESOLVED, that the accounting firm of Isla, Lipana & Co. be re-appointed as external auditors of the Corporation for the year 2022-2023.”

8. Other Matters

Stockholders may propose to discuss other issues and matters.

9. Adjournment

After all matters in the agenda have been taken up, the meeting will be adjourned.

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

1. Check the appropriate box:

Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter: **PHILIPPINE INFRADEV HOLDINGS INC.**

3. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **60312**

5. BIR Tax Identification Code **000-464-876-000**

6. **38/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City** **1223**
Address of principal office Postal Code

7. Registrant's telephone number, including area code **(632) 8750-2000**

8. **December 5, 2022, at 2:00 p.m. via remote communication or in absentia**
Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders **November 11, 2022**

10. In case of Proxy Solicitations: **Not Applicable**

Name of Person Filing the
Statement/Solicitor: _____
Address and Telephone No.: _____

11. Securities registered pursuant to Sections 8 and 12 of the Securities Regulations Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding
Common	6,061,560,322

12. Are any or all of registrant's securities listed on a Stock Exchange?

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

PHILIPPINE STOCK EXCHANGE - **COMMON SHARES OF STOCK**

PART I.
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders.

The annual stockholders' meeting of PHILIPPINE INFRADEV HOLDINGS INC. (the "Registrant" or the "Company" or "PIHI") shall be on December 5, 2022, Monday, at 2:00 p.m. via remote communication or *in absentia*. The Chairman of the meeting shall call and preside the meeting in Metro Manila which is the place where the principal office of the Company is located.

The mailing address of the Registrant is at 38/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223.

The approximate date on which this Information Statement is first to be sent or given to stockholders is on November 11, 2022.

Proxy Solicitation: We are not soliciting for proxy.

Item 2. Dissenters' Right of Appraisal

A stockholder has the right to dissent and demand payment of the fair value of his shares: (i) in case any amendment to the Company's Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences over the outstanding shares, or of extending or shortening the term of corporate existence; (ii) in case of any sale, lease, mortgage or disposition of all or substantially all of the corporate property or assets; (iii) in case of merger or consolidation; and (iv) in case of investment of corporate funds in another corporation or business or for any purpose other than the primary purpose.

If an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment, however, shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

There are no matters or proposed corporate actions at this year's annual stockholders' meeting which may give rise to a possible exercise by security holders of their appraisal rights under the provisions of the Revised Corporation Code of the Philippines.

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

No person who is or has been a director or officer of the Registrant, or an associate of the said persons, has any substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted upon during the meeting.

None of the persons mentioned above has informed the Registrant in writing of any intention to oppose any action to be taken at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) The Registrant has the following shares subscribed and outstanding as of November 15, 2022, the Record Date:

Common shares	-	6,061,560,322
Preferred shares	-	722,320,940

Of the said subscribed and outstanding shares, 1,053,488,133 shares or 15.53% are owned by foreigners, while 5,730,393,129 or 84.47% are owned by Philippine nationals.

- (b) Number of Votes entitled: Every stockholder entitled to vote as of the Record Date shall be entitled to one (1) vote per share of stock.
- (c) The Record Date is on November 15, 2022. All stockholders of record as November 15, 2022 are entitled to notice of, participate in via remote communication, and to vote *in absentia* at the Annual Stockholders' Meeting.
- (d) Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

Stockholders owning more than 5% of the Registrant's shares of stocks as of November 15, 2022.

*Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	AGGREGATE BUSINESS GROUP HOLDINGS, INC. Unit 627 City and Land Mega Plaza Building ABD Avenue Corner Garnet Road, Ortigas Center, Pasig City ¹	AGGREGATE BUSINESS GROUP HOLDINGS, INC. Principal Stockholder	Filipino	4,320,905,000	71.28%
Common	PCD NOMINEE CORP. (F) G/F MSE Bldg. Ayala Ave., Makati City	Various owners	Filipino	**658,337,503	10.86%
Common	PCD NOMINEE CORP. (NF) G/F MSE Bldg. Ayala Ave., Makati City	Various owners	Non-Filipino	639,203,011	10.55%

¹Youmin Ren will vote the shares of Aggregate Business Group Holdings Inc.

Common	AUSPICIOUS ONE BELT ONE ROAD FUND	AUSPICIOUS ONE BELT ONE ROAD FUND Principal Stockholder	British	368,175,000	6.07%
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*The report is exclusive of 722,320,940 preferred shares with par value of Php 10 per share owned by the City Government of Makati.

**231,315,000 out of 658,337,503 common shares is for the account of AGGREGATE BUSINESS GROUP HOLDINGS, INC. which owns a total of 4,552,220,000 (75.10%) common shares of the Company.

Preferred Shares

There is no public trading market for the preferred shares.

The Preferred shares shall have the following basic features: voting, participating, redeemable, convertible to common shares, and preferred as to assets upon liquidation, and shall have such other features, terms and conditions not inconsistent with the above basic features as may be determined by the Board of Directors upon their issuance.

The outstanding preferred shares of 722,320,940 issued in favor of the City Government of Makati on October 31, 2019 shall have full voting rights, preference as to liquidation, with cumulative, participating (with common shares) and fixed dividends at a rate of 2% per annum from issuance of the Parent Company's preferred shares for five years until the total amount of dividends paid is P656.66 million. The preferred shares are convertible to: (i) common shares of the Parent Company, or (ii) twenty-five percent (25%) of the post conversion total issued and outstanding share capital of MCSI. The preferred shares are considered equity instruments based on their features.

(2) Security Ownership of Management

The following directors and officers are the direct/indirect owners of the Registrant's shares as indicated opposite their names as of November 15, 2022:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (All direct ownership unless otherwise indicated)	Citizenship	Percent of Ownership
Common	Ren Jinhua Director/Chairman of the Board	50	Chinese	0.000001%
Common	Antonio L. Tiu Director/President & CEO	50	Filipino	0.000001%
Common	Georgina A. Monsod Director/EVP & COO	1,000	Filipino	0.000015%
Common	Keinth Roger B. Castillo Director/Treasurer	100	Filipino	0.000001%

Common	Ren Youmin Director	100	Australian	0.000001%
Common	Laiza Rose R. Lamsen Director	50	Filipino	0.000001%
Common	Cao Lei Director	50	Chinese	0.000001%
Common	Zhang Shengman Director	50	Chinese	0.000001%
Common	Benedict Peter W. Lim Director	100	Filipino	0.000001%
Common	Jose Gerardo A. Medina Director	50	Filipino	0.000001%
Preferred	Claro F. Certeza Director	5	Filipino	0.000000%
Common	Delfin P. Angcao Corporate Secretary	150	Filipino	0.000002%
Common	Ana Maria A. Katigbak-Lim Asst. Corporate Secretary	150	Filipino	0.000002%
Total		1905		0.000028%

(3) Voting Trust Holders of 5% or more

Registrant is not aware of any person holding more than 5% of the shares of Registrant under a voting trust or similar agreement.

(4) Changes in Control

There has been no change in control of the Registrant since the beginning of its last fiscal year. Neither is Registrant aware of any arrangement which may result in a change in control of it.

Item 5. Directors and Executive Officers

- (a) The names, ages, terms of office, business experience for the last five years, directorship in other companies of the directors and executive officers of the Registrant are as follows:

Ren Jinhua, Chairman of the Board. Mr. Ren Jinhua has a Master's Degree in Law. He has over 30 years of outstanding practice experience in macro economy, business management and finance investment. He is a former director of Yangzijiang Shipbuilding. He is currently a Director of Mingly China Growth Fund Co., Ltd. and Chairman of Sinobase International (HK) Co., Ltd. Mr. Ren, a Chinese citizen, is 59 years old.

Antonio L. Tiu, President and Chief Executive Officer. Mr. Tiu, 47, Filipino, is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of The Big Chill, Inc., and President/CEO of Beidahuang Philippines, Inc. and Greenergy Holdings Incorporated. He was a part time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently board of adviser of DLSU School of Management. Mr. Tiu has a Master's degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Business Management from De La Salle University, Manila. He is currently a Doctorate

student in Public Administration at the University of the Philippines. He was awarded the Ernst and Young Emerging Entrepreneur of the Year (2009), Overseas Chinese Entrepreneur of the Year 2010 and Ten Outstanding Young Men of the Philippines 2011. He is an active member of Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries.

Georgina A. Monsod, EVP and Chief Operating Officer. Ms. Monsod, 67, Filipino. Her business experience for the last five years includes being the Treasurer and Compliance Officer of the Company since March 12, 2008. She has been involved with real estate development and financing for the past 17 years starting her career with Don Tim Development Corporation and moving to PrimeEast Properties Inc. Prior to this, she worked for the government sector from 1978 to 1994 in the field of tourism development. She holds a Postgraduate Course in Tourism and Hotel Management by the International School of Tourism Sciences in Rome, Italy. She was also a faculty member of the University of the Philippines (Diliman). She recently passed the licensure examination for Real Estate Brokers and is now a licensed Real Estate Broker.

Cao Lei - Mr. Lei, a Chinese national is 47 years old. He is a graduate of Nanjing University. His background is on financial management specifically for infrastructure projects all over Asia.

Ren Youmin, Director. Ren Youmin graduated from the University of New South Wales, Australia with a degree of Bachelor of Commerce, major in Finance. He is currently the Chairman and General Manager of Longsteel Technology Limited, a company based on Hong Kong. Ren Youmin, an Australian citizen, is 26 years old.

Atty. Jose Gerardo A. Medina, Independent Director, 60, is a graduate of the University of the Philippines College of Law and has been active on the legal profession since 1990. He co-founded the Solis Medina Limpingco & Fajardo Law Offices in 1994. Atty. Medina currently serves as director, officer and legal counsel to numerous domestic and multinational corporations engaged in the fields of development, construction, engineering, banking, fish and agriculture. He also serves as a director of the UP Law Alumni Association and is a lecturer on business organizations and corporation law at the Philippine Law School.

Atty. Delfin P. Angcao, Corporate Secretary and Corporate Information Officer. Mr. Angcao, 65, Filipino, has been the Corporate Secretary and Corporate Information Officer since March 2008. He is a partner at the Castillo Laman Tan Pantaleon & San Jose Law Offices (CLTPSJ) since the year 2000. He was a Junior Associate with CLTPSJ from 1995 to 1997. He climbed up to being a Senior Associate from 1997 to 2000. He was an Associate at the San Jose, Enriquez, Lacas, Santos, Borje & Vendero from 1992 to 1995. His business experience for the last five years includes being Director and/or Corporate Secretary of various client corporations of CLTPSJ including Mabuhay Holdings Corporation and The Manila Southwoods Golf & Country Club, Inc. He is a member of the Integrated Bar of the Philippines and the Philippine Institute of Certified Public Accountants.

Atty. Ana Maria Katigbak-Lim, Director and Assistant Corporate Secretary – She holds the position of Assistant Corporate Secretary since 1999, or for more than 20 years now. She held the position of a director for seven years, or from 1999 to October 31, 2006, and then again for more than 9 years, or from June 27, 2007 up to the present. A member of the Integrated Bar of the Philippines and a graduate of Bachelor of Laws and Bachelor of Arts in Comparative Literature (Cum Laude) at the University of the Philippines, she is currently a partner at the Castillo Laman Tan Pantaleon & San Jose Law Offices. Her other business experience in the last 5 years are as follows: assistant corporate secretary of publicly-listed companies and registered membership clubs such as: Boulevard Holdings, Inc., Premier Entertainment Productions, Inc., Solid Group, Inc., The Metropolitan Club, Inc., AJO.net Holdings, Inc. and PhilWeb.Corporation. She is also a lecturer at the Thames International Business School, Philippine Campus. Atty. Katigbak, a Filipino, is 53 years old.

Keinth Roger B. Castillo, Accounting Manager and Compliance Officer, Mr. Castillo, 30, Filipino, finished Bachelor of Science in Accountancy in De La Salle University – Dasmariñas in 2014 and passed the CPA board exam in the same year. He is a member of the Philippine Institute of Certified Public Accountants. He started his career as an audit associate in Punongbayan & Araullo. Since 2015, he has been involved in accounting and compliance for listed real estate companies. He currently serves as director and treasurer of the Makati City Subway, Inc.

Claro F. Certeza. Mr. Certeza graduated from the Ateneo de Manila University School of Law where he obtained his Bachelor of Laws degree. He also holds a Bachelor of Science degree from the University of the East. He is a member of the faculty of the Ateneo de Manila University School of Law and the College of Law of the Lyceum University where he lectures on Civil Law, Labor Law and Franchise Law.

In 1992, he joined the Jollibee Foods Corporation (“Jollibee”), the biggest fast-food chain in the country where he concurrently served as Vice President for Legal and Vice President for Corporate Affairs. He was later elected Director of Jollibee and also a member of its Management Committee.

After he retired from Jollibee, Mr. Certeza resumed private practice and acted as legal counsel to Fuji Xerox Philippines and various fast-food companies such as Julie’s Franchise Corporation, Aristocrat, Solerex, Crystal Clear, and Del Sol Foods Corporation, owners of the Goodah! Restaurant chain. He is likewise Executive Director of the Fuji Xerox Foundation of the Philippines, Inc. and the Legal Consultant of Gawad Kalinga, an institution recognized world-wide as an advocate of poverty alleviation.

Mr. Certeza is currently the City Administrator of Makati City.

Zhang Shengman, aged 65, worked for the World Bank as Executive Director for China, Vice President and Chief Secretary, Senior Vice Director, Managing Director and chairman of the operations committee, the sanctions committee and the corporate committee on fraud and corruption policy.

He also worked for the Citigroup being once the Chairman and President of Asia Pacific region, and Vice Chairman and Chief Operating Officer of Markets and Banking sector.

Mr. Zhang completed graduate economic studies in McGill University, Canada, and Advanced Management Program in Harvard Business School, USA.

Laiza Rose R. Lamsen 34, Filipino, graduated from Rizal Technological University with a degree of Bachelor of Science in Psychology. Currently the Head of Marketing of Philippine Infradev Holdings Inc. She started her career in real estate as a Marketing Officer at Vista Land International, a subsidiary of Vista Land Lifescape. After five years with Vista Land, she joined the company and pioneered the sales and marketing department. Ms. Lamsen is a PRC-licensed Accredited Sales Person. Apart from corporate activities, Ms. Lamsen is also active in youth activities as she is also a trainer in a youth organization. She was able to represent the Philippines in the last 2014 Leadership Exchange held in Lucern, Switzerland.

Except for the above-named directors and officers, the Registrant has no “significant employees” (as the term is defined under the SRC and its implementing rules and regulations).

(b) Independent Directors/Corporate Governance Committee.

In compliance with SRC Rule 38 which provides for the guidelines on the nomination and election of independent directors, a Corporate Governance Committee which performs the

functions of the erstwhile Nomination Committee has been created with the following as members:

- | | | |
|---------------------------|---|--------------------------------|
| 1. Jose Gerardo A. Medina | - | Chairman, Independent director |
| 2. Benedict Lim | - | Member |
| 3. Ren Jinhua | - | Member |

Under the Company's New Manual of Corporate Governance, the members of the Corporate Governance Committee shall consist of at least three independent directors, one of whom shall be the Chairman thereof. The Corporate Governance Committee was tasked to accept and to pre-screen nominees for election as independent directors conformably with the criteria prescribed in SRC Rule 38 and the Company's Code of Corporate Governance, and to prepare and to make available to the SEC and the stockholders before the stockholders' meeting a Final List of Candidates as required in the said SEC Memo Circular.

In compliance with SRC Rule 38, hereunder is the Final List of Candidates for Independent Directors of the Registrant for the term 2022-2023 based on nominations received and pre-screened by the Corporate Governance Committee:

Name of Candidate	Nominated By
Jose Gerardo A. Medina	Mr. Antonio L Tiu
Benedict Lim	Mr. Antonio L Tiu

Mr. Tiu, presently a stockholder and the incumbent President and CEO of the Registrant, is not related to any of his above-mentioned nominees. The two (2) nominees for Independent Directors were selected by the Corporate Governance Committee in accordance with the guidelines in the Manual of Corporate Governance, the Revised Code of Corporate Governance for Publicly Listed Companies (SEC Memorandum Circular No. 19, series of 2016), and the Guidelines on the nomination and election of Independent Directors (SRC Rule 38).

The nominees are currently the Corporation's Independent Directors. Mr. Jose Gerardo A. Medina has been an independent director of the Corporation since 2018 while Mr. Benedict Lim has been an independent director of the Corporation since 2020.

Information about said candidates as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12 are as contained in this item 5.

To comply with the Securities and Exchange Commission (SEC) Memorandum Circular No. 5 which became effective March 10, 2017, the company submits herewith the Certificates of Qualification of the independent directors in the form prescribed by the SEC. The term limits of the independent directors shall be for a maximum cumulative term of nine (9) years in accordance with SEC Memorandum Circular No. 4, Series of 2017 and SEC Memorandum Circular No. 19, Series of 2016. The reckoning date of the cumulative nine-year term is from 2012.

(c) Significant Employees.

Aside from those listed above, the Company has no other executive officers or certain key personnel who are deemed to make significant contribution to the business.

(d) Family Relationships.

Mr. Ren Jinhua, Director and Chairman is the father of Ren Youmin, Director. Other than the foregoing, no director or officer is related to the extent of the fourth civil degree either by consanguinity or affinity.

(e) Involvement in Certain Legal Proceedings.

None of the directors and officers of the Company was involved, in the past five years up to the latest date, in any bankruptcy proceeding. Neither have they been during the same period convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law that are material to their evaluation as to their fitness for their respective positions.

The Company and its consolidated subsidiaries/affiliates are parties to various legal actions or proceedings. However, in the opinion of management, the ultimate liability, if any, resulting from these actions or proceedings, will not have a material effect on the Company's financial position.

(f) Certain Relationship and Related Transactions.

Relationships and Related Transactions

See Item 13, Certain Relationships and Related Party Transactions, of the 2021 Annual Report.

Other than the transactions stated in Item 13 of the 2021 Annual Report, there has been no material transaction during the last two years, nor is there any material transaction currently proposed, to which the Company was or is to be a party in which any of the incumbent directors and executive officers which the Company, or owners of more than 5% of the Company's voting stock, and executive officers or owners of more than 5% of the Company's voting stock, had or is to have a direct or indirect material interest.

Item 6. Compensation of Directors and Executive Officers

(a) Summary Compensation Table.

The annual compensation of the Company's executive officers for the last two (2) fiscal years and for 2022 are as follows:

Name	Position	Year	Salary	Bonus	Other Annual Compensation
Ren Jinhua	Chairman				
Antonio L. Tiu	President & CEO				
Georgina A. Monsod	EVP and COO				
Keinth Roger B. Castillo	Treasurer				

Ren Youmin	Director/ Executive Committee				
Aggregate compensation (all key officers and directors as a group) Note: Registrant has no other executive officers except those named above.		2022 (estimated)	P3.4M	None	None
		2021	P4.9M	None	None
		2020	P7.5M	None	None

The directors of the Corporation do not receive any compensation as such directors except for per diems. Each director receives a per diem of ₱5,000.00 for each board meeting attended. For the year 2021, the directors of the Corporation received the following per diems and reimbursement of representation expenses incurred from time to time (net of tax):

<u>Director</u>	<u>Per Diem in 2021</u>
Ren Jinhua	118,750
Antonio L. Tiu	118,750
Georgina A. Monsod	118,750
Keinth Roger B. Castillo	118,750
Ren Youmin	118,750
Laiza Rose R. Lamsen	14,250
Cao Lei	118,750
Zhang Shengman	118,750
Benedict Peter W. Lim	118,750
Jose Gerardo A. Medina	118,750
Claro F. Certeza	118,750

(b) Compensation of Directors.

Directors receiving compensation were either employed as officers of the Registrant receiving fixed monthly salary or receiving reimbursement of representation expenses incurred from time to time.

Directors and executive officers employed by the Registrant, receiving fixed monthly salary are as shown in the table in the immediately preceding section.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangement.

There were no employment contracts, termination of employment, or any arrangement that resulted or may result in a change of control of the Registrant.

(d) Warrants and Options Outstanding.

There are no outstanding warrants or options held by the Company's executive officers and directors as a group.

Item 7. **Independent Public Accountants**

(a) Audit and Audit-Related Fees

The Registrant continued the services of its external auditors from Isla Lipana & Co. The name of Isla, Lipana & Co.'s partner-in-charge, Mr. Zaldy D. Aguirre for the ensuing year will be known on or before its re-appointment during the stockholders' meeting. There were no disagreements with the auditors with respect to accounting principles and practices, financial disclosures, or auditing scope or procedures. As in previous years, representatives of the Registrant's auditors are expected to be present at this year's annual stockholders' meeting, available to respond to questions that may be asked by the stockholders. The said auditors will have the opportunity to make a statement if they desire to do so.

The external auditors charged the Company and its subsidiaries a total amount of P3,360,000 and 2,000,000 for the year ending December 31, 2021 and December 31, 2020, respectively.

The Company is in compliance with SRC Rule 68, Paragraph 3(b)(iv) which requires the rotation of external auditors or the handling partners of the auditing firm.

(b) Tax Fees.

There were routine professional services rendered by the external auditors for tax accounting, compliance, advice, planning and any other form of tax services in each of the last two (2) calendar years ending December 31, 2021 and 2020. The fees for these services are included in the Audit and Audit-Related Fees mentioned above.

(c) All Other Fees.

There were no other professional services rendered by the external auditors during the period.

(d) Company Policy on Appointment of Independent Auditor

The President, EVP, Treasurer and the Audit Committee recommended to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board of Directors approves the recommendation for the appointment of the external auditor subject to approval/ratification by the stockholders at the annual stockholders' meeting.

The present members of the Audit & Related Party Transactions Committee of the Company are as follows:

Benedict Lim	-	Chairman (Independent Director)
Jose Gerardo Medina	-	Member (Independent Director)
Ren Jinhua	-	Member
Ren Youmin	-	Member

D. OTHER MATTERS

Item 15. Action with Respect to Reports

Summary of Items to be Submitted to Stockholders' Approval

- (a) Approval of the minutes of the 2021 annual stockholders' meeting
- (b) Approval of annual report of management and 2021 financial statements

Approval of the minutes of the 2021 annual stockholders' meeting will constitute a ratification of the accuracy and faithfulness of the record therein of the events that transpired during the said meeting. Among the matters taken up during the 2021 annual stockholders' meeting and reflected in the minutes thereof were the following: (a) approval of the 2020 management report and 2020 audited financial statements; (b) ratification of corporate acts; (c) election of directors; and (d) appointment of external auditors; (e) amendment of the by-laws to allow meetings through remote communication. This will not constitute a second approval of the same matters that were already taken up and approved during the said meeting. Approval of the 2020 annual report of management and the 2020 audited financial statements will constitute a ratification of the Company's performance during the preceding year as contained or reflected in said annual report and financial statements.

Description of Voting and Voting Tabulation Procedures used in the 2021 annual meeting

Stockholders of record were allowed to vote by proxy or in absentia through the link provided by the Corporation for the 2021 annual stockholders' meeting. Stock Transfer Services, Inc. (STSI), the Corporation's stock transfer agent, acted as the board of canvassers for the annual meeting. They had access to the submitted proxies and the online voting portal of the Corporation, and based on the votes submitted, STSI was able to prepare the official tabulation of votes.

Description of opportunity given to stockholders to ask questions

The stockholders were encouraged to submit their questions before and during the December 20, 2021 annual stockholders' meeting. No questions or comments were raised by the Stockholders during the meeting.

Matters Discussed and Resolutions Reached and Record of Voting Results

Below is a summary of the tabulation of votes as confirmed by STSI:

2021 ASM Agenda Items	For	Against	Abstain
1. Approval of Minutes of the Previous Meeting of the Stockholders on November 10, 2020	5,642,715,940	384,000	0
2. Management Report and Approval of the 2020 Audited Financial Statements	5,642,715,940	384,000	0
3. Ratification of Resolutions, Contracts, Acts of the Board of Directors and Management	5,642,715,940	384,000	0
4. Election of Directors			
<i>Nominees for Regular Directors</i>			

a) Ren Jinhua	5,642,715,940	0	384,000
b) Antonio L. Tiu	5,642,715,940	0	384,000
c) Georgina A. Monsod	5,642,715,940	0	384,000
d) Keinth Roger B. Castillo	5,642,715,940	0	384,000
e) Cao Lei	5,642,715,940	0	384,000
f) Ren Youmin	5,642,715,940	0	384,000
g) Claro F. Certeza	5,642,715,940	0	384,000
h) Zhang Shengman	5,642,715,940	0	384,000
i) Laiza Rose R. Lamsen	5,642,715,940	0	384,000
<i>Nominees for Independent Directors</i>			
a) Benedict Lim	5,642,715,940	0	384,000
b) Jose Gerardo A. Medina	5,642,715,940	0	384,000
5. Appointment of External Auditors	5,642,715,940	0	384,000
6. Ratification of all acts of the board of directors and management from the last stockholders' meeting to date	5,642,715,940	384,000	0

List of Directors, Officers, Stockholders and Other Related Attendees who attended the 2021 Annual Stockholders Meeting

The following Directors were present:

Ren Youmin
Cao Lei
Claro F. Certeza
Zhang Shengman
Laiza Rose R. Lamsen
Benedict Lim
Jose Gerardo A. Medina

The following Officers of the Company were present:

Ren Jinhua (Director)
Antonio L. Tiu (Director)
Georgina A. Monsod (Director)
Keinth Roger B. Castillo (Director)
Delfin P. Angcao
Ana Maria A. Katigbak-Lim

The following shareholders were represented as follows:

Stockholders Participating in Absentia	
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	No. of shares
Ren Jinhua	50
Antonio L. Tiu	50
Georgina A. Monsod	1,000
Keinth Roger B. Castillo	100
Ren Youmin	50
Cao Lei	50
Claro F. Certeza	50
Zhang Shengman	50
Laiza Rose R. Lamsen	50
Benedict Lim	100
Jose Gerardo A. Medina	50
Total	1,600
Stockholders Represented by Proxy	
	No. of shares
Aggregate Business Group Holdings Inc.	4,320,905,000
Auspicious One-Belt-One-Road Fund	368,175,000
City Government of Makati	722,320,940
Eagle Equities, Inc.	231,315,000
Cray R. Fernandez	384,000
Anthony Gilbert L. Antiquiera	100
Total	5,643,100,040

Total No. of Shares Issued and Outstanding	6,783,881,262
Total No. of Shares Participating in Absentia & Represented by Proxy	5,643,101,640
Total Percentage of Shares Participating in Absentia & Represented by Proxy	83.18%

Other attendees:

Isla Lipana & Co. - External Auditor
Stock Transfer Services, Inc. - Stock Transfer Agent/Board of Canvasser

Material information on the current stockholders and their voting rights

As discussed previously, the following are the Stockholders owning more than 5% of the Registrant's shares of stocks as of November 15, 2022:

*Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	AGGREGATE BUSINESS GROUP HOLDINGS, INC. Unit 627 City and Land Mega Plaza Building ABD Avenue Corner Garnet Road, Ortigas Center, Pasig City ²	AGGREGATE BUSINESS GROUP HOLDINGS, INC. Principal Stockholder	Filipino	4,320,905,000	71.28%
Common	PCD NOMINEE CORP. (F) G/F MSE Bldg. Ayala Ave., Makati City	Various owners	Filipino	**658,337,503	10.86%
Common	PCD NOMINEE CORP. (NF) G/F MSE Bldg. Ayala Ave., Makati City	Various owners	Non-Filipino	639,203,011	10.55%
Common	AUSPICIOUS ONE BELT ONE ROAD FUND	AUSPICIOUS ONE BELT ONE ROAD FUND Principal Stockholder	British	368,175,000	6.07%

*The report is exclusive of 722,320,940 preferred shares with par value of Php 10 per share owned by the City Government of Makati.

**231,315,000 out of 658,337,503 common shares is for the account of AGGREGATE BUSINESS GROUP HOLDINGS, INC. which owns a total of 4,552,220,000 (75.10%) common shares of the Company.

Appraisals and performance report for the Board and Criteria and Procedure for Assessment

The Governance Committee oversees the annual performance evaluation of the Board, its board committees as well as the individual director's performance. The assessment criteria include the structure, efficiency and effectiveness of the Board as a body, the composition, organization and processes implemented within the different board committees and the knowledge, attendance and overall contribution of each member director to their respective board committees.

Directors Disclosures on self-dealing and related party transactions

The directors and officers of the Company did not have any dealing in the company's shares nor did they engage in any related party transactions during the year 2021.

Item 18. Other Proposed Actions

- (a) Ratification of resolutions, contracts and acts of the board of directors and management
- (b) Election of directors
- (c) Appointment of external auditors

Resolutions, contracts and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day-to-day operations of the Company as contained or reflected in the annual report and financial statements. These included, among others, the election of officers, composition of corporate governance

²Youmin Ren will vote the shares of Aggregate Business Group Holdings Inc.

committees, and appointment of external auditors as previously disclosed to the Securities and Exchange Commission and the Philippine Stock Exchange.

Item 19. Voting Procedures

The vote required for acts requiring stockholders' approval is majority of stocks present in a quorum unless the law provides otherwise. In the election of directors, however, the eleven (11) nominees obtaining the highest number of votes in accordance with the provisions of the Revised Corporation Code, shall be proclaimed the directors.

Casting of votes will be done *in absentia* or by proxy as described in the attached Guidelines and Procedures for Participating via Remote Communication and Voting *in Absentia*, Votes cast during the annual stockholders' meeting shall be counted by the Corporate Secretary.

ACCOMPANYING THIS INFORMATION STATEMENT IS A COPY OF THE NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING CONTAINING THE AGENDA THEREOF, AS WELL AS A COPY OF THE REGISTRANT'S MANAGEMENT REPORT AS REQUIRED UNDER SRC RULE 20 (4), AS AMENDED, THE COMPANY'S ANNUAL REPORT IN SEC FORM 17-A AND QUARTERLY REPORT FOR THE 2nd QUARTER OF 2022 IN SEC FORM 17-Q.

REQUESTS FOR HARD COPIES OF THE FOREGOING DOCUMENTS MAY BE SENT TO admin@infra.com.ph.

SIGNATURE

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 Makati on October 17, 2022.

PHILIPPINE INFRADEV HOLDINGS INC.

Registrant

By:



DELFIN P. ANGCAO
Corporate Secretary

□

**MINUTES OF THE ORGANIZATIONAL BOARD MEETING OF
PHILIPPINE INFRADEV HOLDINGS INC.**

December 20, 2021 immediately after the Annual Stockholders Meeting
via Zoom Webinar at

<https://zoom.us/j/99351492831?pwd=a1VxWDZmODNjc01XWUovWmZQaW5NQOT09>

DIRECTORS PRESENT:

REN JINHUA
ANTONIO L. TIU
GEORGINA A. MONSOD
REN YOUMIN
CLARO F. CERTEZA
CAO LEI
ZHANG SHENGMAN
KEINTH ROGER B. CASTILLO
LAIZA ROSE R. LAMSEN
JOSE GERARDO A. MEDINA
BENEDICT LIM

ALSO PRESENT:

DELFIN P. ANGCAO
ANA MARIA KATIGBAK
MELINA ROSE GUTIERREZ
ELVIRA DENISE NAVARRO

CALL TO ORDER

The Chairman of the Meeting, Mr. Ren Jin Hua Meeting, called the meeting to order and presided over the same. Atty. Delfin P. Angcao, who was likewise designated as Secretary of the Meeting, recorded the proceedings.

CERTIFICATION ON QUORUM

The Secretary of the Meeting certified that a quorum existed for the transaction of business there being present at the meeting at least a majority of the members of the Board.

ELECTION OF OFFICERS & CORPORATE GOVERNANCE COMMITTEE MEMBERS

The Chairman of the Meeting announced that the next item to be taken up was the election of the officers and designation of the members of the corporate governance committees of the Corporation.

Whereupon, on nominations duly made and seconded, the following officers were elected to the positions set forth opposite their names:

REN JINHUA	Chairman of the Board
ANTONIO L. TIU	Chief Executive Officer (CEO) & President
GEORGINA A. MONSOD	Executive Vice-President and Chief Operating Officer (COO)
KEINTH ROGER CASTILLO	Treasurer
DELFIN P. ANGCAO	Corporate Secretary
ANA MARIA A. KATIGBAK	Asst. Corporate Secretary

to act as such until their successors shall have been duly elected and qualified in accordance with the By-laws.

Likewise, the following were designated to the various corporate governance committees/positions of the Corporation, to wit:

Executive Committee:

REN JINHUA	Chairman
REN YOUMIN	Member
GEORGINA A. MONSOD	Member
ANTONIO L. TIU	Member
KEINTH ROGER CASTILLO	Member

Audit & Related Party Transactions Committee:

BENEDICT LIM	Chairman (Independent Director)
JOSE GERARDO A. MEDINA	Member (Independent Director)
REN JINHUA	Member
REN YOU MIN	Member

Corporate Governance Committee:

JOSE GERARDO A. MEDINA	Chairman (Independent Director)
BENEDICT LIM	Member (Independent Director)
REN JINHUA	Member

Compliance Officer:

MARIA NOEMI A. AGUINALDO

Corporate Information Officers:

KEINTH ROGER B. CASTILLO

Date Protection Officer:

IAN RON G. SANTOS

ADJOURNMENT

There being no further business to transact, on motion duly made and seconded, the meeting was adjourned.

DELFIN P. ANGCAO
Corporate Secretary

VERIFIED:

ANTONIO L. TIU
Chairman of the Board/Director

ATTESTED:

MARY KIMBERLIE C. SEE
Independent Director

RODOLFO D. SANTIAGO
Independent Director

BENJAMIN MAGALONG
Independent Director

ESTEBAN G. PEÑA SY
Director

GEORGINA A. MONSOD
Director

RICHARD AMURAO
Director

YUAN GANG
Director

REN YOU MIN
Director

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS
PHILIPPINE INFRADEV HOLDINGS INC.

December 20, 2021 at 2:00 p.m.

via Zoom Webinar at

<https://zoom.us/j/98588190346?pwd=d2pqTng1YUY3M0Z1VXY5alBIOEhEZz09>

CALL TO ORDER

The Acting Chairman of the Board, Mr. Antonio L. Tiu, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Delfin P. Angcao, recorded the minutes of the meeting.

CERTIFICATION ON NOTICE AND QUORUM

The Corporate Secretary certified that notice of the meeting along with the Definitive Information Statement had been sent to the stockholders in compliance with the by-laws, the Securities Regulation Code, and the rules of the Securities and Exchange Commission (SEC).

He then reported that there were present at the meeting in person and by proxy stockholders holding 5,642,715,940 shares representing 83.18% of the outstanding capital stock of the Corporation and that a quorum was, therefore, present for the transaction of business. (The list of stockholders present or represented by proxy during the said meeting is on file at the offices of the Corporation).

APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING

The Chairman then stated that the next matter in the agenda was the approval of the minutes of the previous annual meeting of the stockholders held on November 10, 2020 copies of which were earlier distributed to the stockholders. On motion duly made and seconded, it was unanimously resolved to dispense with the reading of the said minutes and to approve the same without reading.

MANAGEMENT REPORT

Mr. Antonio Tiu, President and Chief Executive Officer, presented the Management Report and consisting of updates on housing, infrastructure the other corporate projects. A copy of the Management Report is attached as Annex "A" hereof.

RATIFICATION OF CORPORATE ACTS

On motion duly made and seconded, all contracts, proceedings, resolutions, and acts of the Board of Directors and the Management from the last annual stockholders' meeting to date, as set forth in the annual report and audited financial statements, and the other corporate books and records of the Corporation, were unanimously approved, confirmed and ratified.

ELECTION OF DIRECTORS

The next matter on the agenda was the election of the members of the Board of Directors. The following were duly nominated as directors:

Regular Directors

1. Ren Jinhua
2. Antonio L. Tiu
3. Georgina A. Monsod
4. Ren Youmin
5. Claro F. Certeza
6. Cao Lei
7. Zhang Shengman
8. Keinth Roger B. Castillo
9. Laiza Rose R. Lamsen

Independent Directors

10. Jose Gerardo A. Medina
11. Benedict Lim

Thereafter, it was moved, seconded and unanimously resolved to close the nominations and to direct the Secretary of the Meeting to cast all votes equally among the nominees. There being only eleven (11) nominees, the Chairman of the Meeting declared them the duly elected directors of the Corporation for the term 2021-2022, to act as such until their successors shall have been duly elected and qualified in accordance with the by-laws.

APPOINTMENT OF EXTERNAL AUDITORS

On motion duly made and seconded, Isla Lipana & Co., which was recommended by the Audit Committee, was appointed as the Corporation's external auditors for the current year.

ISSUANCE OF THE CERTIFICATES OF TITLE, PURSUANT TO THE JOINT VENTURE AGREEMENT, FOR THE TRANSFER OF THE MAKATI PROPERTIES

The Chairman informed the Board of the need to authorize the Corporation to facilitate the issuance of the certificates of title, pursuant to the Joint Venture Agreement, for the transfer of the Makati Properties with the Land Registration Authority and Registry of Deeds and such other requirements to fully comply with the requirements for the issuance of the certificates of title.

After the discussion, on motion duly made and seconded, the following resolution was unanimously approved:

"WHEREAS, the City Government of Makati (the **"City"**) and Philippine Infradev Holdings, Inc. (the **"Corporation"**), as the lead proponent of the consortium which it represents (collectively, the **"Private Proponent"**) entered into a Joint Venture Agreement dated 30 July 2019,

for the construction, establishment, management, and operation of a subway system within the Makati City (the “**Project**”);

“**WHEREAS**, one of the obligations of the City under the Joint Venture Agreement is to contribute to the Project the following properties:

Property Description	TCT No.
Makati Fire Station	006-2014000400
Makati Police Station	006-2014000399
Old City Hall and Quadrangle	104177
Old Pio del Pilar High School	216085
MACDA Property	219740
Makati Park and Garden	Cad. Lot No. 38297
Old Northside Barangay Hall	36277 (portion of lot 12)
Lot adjacent to the Makati City Jail	36291 (lot 4)
Makati City Jail	36272
Lot beside the Makati Post Office	006-2011000088
Makati Botanical Garden	006-2014000401
Vacant Lot used as PUV Terminal	006-2019001057 (previously covered by TCT No. 006- 2011000078)

(the above-mentioned properties shall hereinafter be collectively referred to as the “**Makati Properties**”);

“**RESOLVED**, that the Corporation is hereby authorized and empowered to facilitate the issuance of the certificates of title, pursuant to the Joint Venture Agreement, for the transfer of the Makati Properties with the Land Registration Authority and Registry of Deeds and such other requirements to fully comply with the requirements for the issuance of the certificates of title;

“**RESOLVED, FURTHER**, that the Corporation’s Treasurer/Accounting Manager, **KEINTH ROGER B. CASTILLO**, is hereby authorized to sign, submit, process and receive any and all applications, instruments, certifications, authorizations and such other documents relating to the issuance of the certificates of title for the transfer of the Makati Properties;

“**RESOLVED, FINALLY**, that the Corporate Secretary is hereby authorized and empowered to issue the pertinent Secretary’s Certificate or analogous documents in such form as may be required by the pertinent government agencies in order to implement the above-described resolutions.”

ADJOURNMENT

There being no further business to transact, on motion duly made and seconded, the meeting was adjourned.

CERTIFIED CORRECT:

DELFIN P. ANGCAO
Secretary of the Meeting

ATTESTED:

REN JIN HUA
Chairman of the Meeting

Meeting of the Executive Committee

Date of Meeting:	May 13, 2022	June 1, 2022
REN JINHUA	√	√
REN YOUMIN	√	√
GEORGINA A. MONSOD	√	√
ANTONIO L. TIU	√	√
KEINTH ROGER CASTILLO	√	√

Meeting of the Audit & Related Party Transactions Committee

Date of Meeting: May 13, 2022

BENEDIC LIM	√
JOSE GERARDO A. MEDINA	√
REN JINHUA	√
REN YOUMIN	√

Meeting of the **Corporate Governance** Committee

Date of Meeting: June 1, 2022

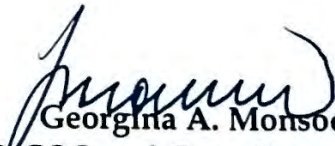
JOSE GERARDO A. MEDINA	√
BENEDIC LIM	√
REN JINHUA	√

CERTIFICATE

I, **Georgina A. Monsod**, Filipino, of legal age, with office address at 38/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, after having been duly sworn to in accordance with law, do hereby depose and state that:

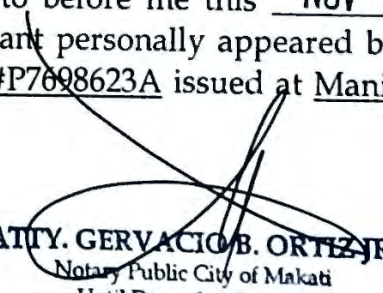
1. I am the Compliance Officer of **PHILIPPINE INFRADEV HOLDINGS INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines, with principal officer address at 38/F Rufino Pacific Tower, 6784 Ayala Avenue, Legaspi Village, Makati City, Philippines.
2. I hereby certify that among the Corporation's Regular and Independent Directors and Officers, only Mr. Claro F. Certeza is appointed or employed in a government agency.
3. We undertake to obtain the necessary consent from the government agency to Mr. Certeza's directorship in the Corporation.

IN WITNESS WHEREOF, this Certificate was signed and issued this NOV 11 2022 at MAKATI CITY, Philippines.


Georgina A. Monsod
EVP, COO and Compliance Officer

SUBSCRIBED AND SWORN to before me this NOV 11 2022 day of _____ at MAKATI CITY affiant personally appeared before me and exhibited to me his/her Passport ID#P7698623A issued at Manila on 27 June 2018.

Doc. No. 724 ;
Page No. 66 ;
Book No. XXIII ;
Series of 2022


ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLE Compliance No. V1-0024312
Appointment No. M-82-(2021-2022)
PTR No. 8952511 Jan. 3, 2022
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City



CITY OF MAKATI

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

Attention: **MR. VICENTE GRACIANO P. FELIZMENIO, JR.**
Director, Markets and Securities Regulations Department

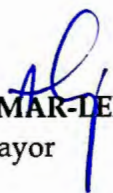
Gentlemen:

This is to certify that **ATTY. CLARO F. CERTEZA** is the duly appointed and incumbent City Administrator of the City Government of Makati (the "City").

His position as City Administrator does not conflict with his position as Director in Philippine Infradev Holdings, Inc. pursuant to the Public-Private Partnership Joint Venture Agreement dated 30 July 2019 for the Makati City Subway Project and as authorized by City Ordinance No. 2019-A-020.

This is being issued in relation to the request of the Securities and Exchange Commission to provide a Certification that the City consents to Atty. Certeza's holding of a position as Director in Philippine Infradev Holdings, Inc., a publicly listed company.

Done this 10 November 2022 in Makati City.


HON. MAR-DEN ABIGAIL S. BINAY
City Mayor



CERTIFICATION OF INDEPENDENT DIRECTOR

I, Jose Gerardo A. Medina, Filipino, of legal age and a resident of 9149 Catmon St., San Antonio, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

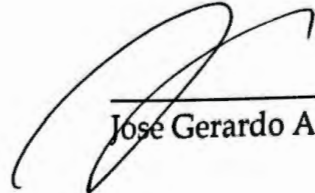
1. I am a nominee for independent director of PHILIPPINE INFRADEV HOLDINGS, INC. (the "Company") and have been its independent director since 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Solis Medina Fajardo & Malilong Law Office	Managing Partner	29 years
Giujo Consultancy, Inc.	President	19 years
Afry Energy, Inc.	Director	17 years
RED, Inc.	Director	5 years
UP Law Foundation, Inc.	Director	7 years

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am NOT related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not in government service or affiliated with a government agency or a GOCC as would require written permission or consent from the head of the agency/department for me to be an independent director of the Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Company of any changes in

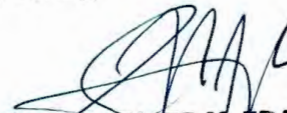
the abovementioned information within five days from its occurrence.

Done, this 24th day of October 2022 at Pasig City.


Jose Gerardo A. Medina

SUBSCRIBED AND SWORN to before me this 24th day of October at Pasig City, affiant personally appeared before me and exhibited to me his Passport No. P6090105A valid until 18 February 20228.

Doc. No. 220;
Page No. 45;
Book No. I;
Series of 2022.


JOSEPH GAVIER M. FRANCO
Appointment No. 43 (2022-2023)
Notary Public for Pasig City
Until December 31, 2023
11/F Tektite Towers, East
Exchange Road, Ortigas Center, Pasig City
S.C. Roll of Attorney No. 73430
PTR No. 8130904/01.05.2022/Pasig
IBP No. 170954/12.20.2021/PPLM
MCLE Compliance No. VII-0003166
15 May 2021

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Benedict Peter W. Lim**, Filipino, of legal age and a resident of 22 Mariposa St. Cubao Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of PHILIPPINE INFRADEV HOLDINGS INC. (the "Company") and have been its independent director since 2020.
2. I am affiliated with the following companies or organizations [including Government-Owned and Controlled Corporations ("GOCC")]:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
University of the Philippines	Senior Lecturer Professor	8 years until present
La Salle CSB	Senior Professional Lecturer	15 years until present
University of the Asia and the Pacific	Senior Lecturer	9 months until present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am NOT related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not in government service or affiliated with a government agency or a GOCC as would require written permission or consent from the head of the agency/department for me to be an independent director of the Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code of Corporate Governance and other SEC issuances.



8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day of _____, at _____.

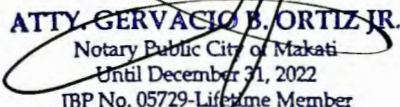


BENEDICT PETER W. LIM
Affiant

NOV 02 2022

SUBSCRIBED AND SWORN to before me this _____ day of _____ at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his/her SSS ID No. 03-7819297-0 issued at _____ on _____.

Doc. No. 308 ;
Page No. 67 ;
Book No. XIX ;
Series of 2022.



ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-82-(2021-2022)
PTR No. 8452511 Jan. 3, 2022
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

COVER SHEET

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S.E.C. Registration Number

P	H	I	L	I	P	P	I	N	E		I	N	F	R	A	D	E	V		H	O	L	D	I	N	G	S			
I	N	C		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S											

(Company's Full Name)

3		T	H		F	L	O	O	R		R	U	F	I	N	O		T	O	W	E	R							
6	7	8	4		A	Y	A	L	A		A	V	E	N	U	E		M	A	K	A	T	I		C	I	T	Y	

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

KEINTH ROGER B. CASTILLO

Contact Person

8283-8459 / 8283-8294

Company Telephone Number

12

Month

3 1

Day

Fiscal Year

1 7 - Q

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

1

Total No. of Stockholders

Domestic

Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

_____ LCU

Document I.D.

_____ Cashier

STAMPS

Remarks – pls. use black ink for scanning purposes

PHILIPPINE INFRADEV HOLDINGS INC.

(Company's Full Name)

38/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City

(Company's Address)

(632) 8283-8459 / (632) 8283-8294

(Telephone Numbers)

December 31

(Fiscal Year Ending)
(month and day)

Quarterly Report

Form Type

Amendment Designation (if applicable)

June 30, 2022

Quarter Ended Date

Publicly Listed Corporation

(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER**

1. For the quarterly period ended: **June 30, 2022**
2. Commission Identification Number: **60312**
3. BIR Tax Identification Number: **000-464-876**
4. Exact name of registrant as specified in its charter: **PHILIPPINE INFRADEV HOLDINGS INC.**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of registrant's principal office Postal Code
38F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City **1223**
8. Registrant's telephone number, including area code: **(632) 8283-8459 / (632) 8283-8294**
9. Former name, former address and former fiscal year, if changed since last report
N/A

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

<u>Title of Each Class</u>	<u>Number of shares outstanding</u>
Common	6,061,560,322
Preferred	722,320,940

11. Are any or all of the securities listed on a Stock Exchange?

Yes [] No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange Common Stock

12. Indicate by check mark whether the registrant:

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

Yes [] No []

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

Yes [] No []

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)

Consolidated Statements of Financial Position
As at June 30, 2022 and December 31, 2021
(All amounts in Philippine Peso)

	Notes	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
<u>ASSETS</u>			
Current assets			
Cash	2	41,468,424	364,383,654
Receivables, net	3	232,975,620	110,639,815
Funds held by custodian bank	4	17,674,487	17,604,114
Real properties held for sale and development	5	1,275,077,035	1,162,643,731
Prepayments and other current assets	6	129,211,403	95,742,516
Total current assets		1,696,406,969	1,751,013,830
Non-current assets			
Investment property	7	39,708,520,001	39,708,520,001
Property and equipment, net	8	2,929,825,148	2,832,421,720
Intangible asset	9	115,278,746,000	115,278,746,000
Other assets, net	10	1,771,286	2,014,337
Total non-current assets		157,918,862,435	157,821,702,058
Total assets		159,615,269,404	159,572,715,888
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Accounts payable and accrued expenses	11	182,259,210	164,256,049
Provision for clearing costs	12	21,985,449	21,985,449
Borrowings	13	215,903,275	222,152,229
Liability for refund of stock rights subscription		17,674,487	17,604,114
Total current liabilities		437,822,421	425,997,841
Non-current liabilities			
Provision for clearing costs, net of current portion	12	12,125,240,147	12,125,240,147
Deferred income tax liabilities, net		4,994,984,372	4,994,984,372
Retirement benefit obligation		3,760,290	3,760,290
Other non-current liabilities		1,945,631	1,945,631
Total non-current liabilities		17,125,930,440	17,125,930,440
Total liabilities		17,563,752,861	17,551,928,281
Equity			
Share capital	14	10,615,078,365	10,574,925,387
Share premium		669,800,642	669,800,642
Share warrants		1,755,520,000	1,755,520,000
Treasury shares		(18,642)	(18,642)
Remeasurement reserve on retirement benefit obligation		509,402	509,402
Fair value reserve on investments in equity instruments		(416,223)	(416,223)
Other reserves		115,277,872,038	115,277,872,038
Retained earnings		13,733,170,961	13,742,595,003
Total equity		142,051,516,543	142,020,787,607
Total liabilities and equity		159,615,269,404	159,572,715,888

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)

Consolidated Statements of Total Comprehensive Income
For the six-months period ended June 30, 2022 and 2021
(All amounts in Philippine Peso)

	Notes	2022	Quarters Ended Apr 1 – Jun 30 2021	2022	Year to Date Jan 1 – Jun 30 2021
Income		(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
Sales of real estate, net		28,825,550	-	37,953,300	1,250,000
Unrealized fair value gain on investment property		-	7,961,398,888	-	7,961,398,888
Foreign exchange gain, net		6,293,587	-	6,293,587	-
Rental Income		386,197	-	1,158,590	-
Interest income from cash		16,042	34,009	39,698	116,804
Other income		40,000	68,120	79,000	101,622
		35,561,376	7,961,501,017	45,524,175	7,962,867,314
Costs and expenses					
Cost of sales	5	17,720,249	-	22,185,184	174,487
Professional fees and other outside services		5,459,891	3,284,803	8,912,645	5,533,835
Gifts and donations		-	500,000	-	500,000
Salaries, wages and employee benefits	15	2,661,286	2,334,703	5,198,195	4,696,157
Interest expense		1,190	14,994	5,944	33,243
Meeting expenses		1,000,824	477,223	1,907,854	477,223
Depreciation expense		569,612	462,911	1,124,605	926,785
Rent		2,192,132	896,344	3,268,618	1,326,843
Commission		1,155,396	-	1,704,928	92,171
Taxes and licenses		249,151	840,484	2,021,589	2,114,668
Office supplies		104,813	212,593	148,927	324,411
Other expenses	16	2,628,672	3,170,477	8,469,728	5,656,925
		33,743,216	12,194,532	54,948,217	21,856,748
Income before income tax		1,818,160	7,949,306,485	(9,424,042)	7,941,010,566
Income tax expense		-	(1,990,349,722)	-	(1,990,349,722)
Net income for the year		1,818,160	5,958,956,763	(9,424,042)	5,950,660,844
Other comprehensive income (loss)		-	-	-	-
Total comprehensive income for the quarter		1,818,160	5,958,956,763	(9,424,042)	5,950,660,844
Basic earnings per share		0.00	1.63	(0.00)	1.63
Diluted earnings per share		0.00	1.08	(0.00)	1.08

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)
Consolidated Statements of Changes in Equity
For the six-months period ended June 30, 2022 and 2021
(All amounts in Philippine Peso)

	Share capital	Share premium	Share warrants	Treasury shares	Fair value reserve	Other reserve	Remeasurement gain (loss) of retirement benefit obligation	Retained earnings	Total
Balances as at January 1, 2021	10,223,729,889	669,800,642	1,755,520,000	(18,642)	(416,223)	115,278,552,479	646,063	6,694,698,537	134,622,512,745
Comprehensive income									
Net income (loss) for the first two quarters	-	-	-	-	-	-	-	5,950,660,844	5,950,660,844
Total comprehensive income for the first two quarters	-	-	-	-	-	-	-	5,950,660,844	5,950,660,844
Balances as at June 30, 2021	10,223,729,889	669,800,642	1,755,520,000	(18,642)	(416,223)	115,278,552,479	646,063	12,645,359,381	140,573,173,589
Comprehensive income									
Net income (loss) for the last two quarters	-	-	-	-	-	-	-	1,097,235,622	1,097,235,622
Other comprehensive loss	-	-	-	-	-	(680,441)	(136,661)	-	(817,102)
Total comprehensive income for the last two quarters	-	-	-	-	-	(680,441)	(136,661)	1,097,235,622	1,096,418,520
Transaction with owners									
Issuance of ordinary shares	351,195,498	-	-	-	-	-	-	-	351,195,498
Balances as at January 1, 2022	10,574,925,387	669,800,642	1,755,520,000	(18,642)	(416,223)	115,277,872,038	509,402	13,742,595,003	142,020,787,607
Comprehensive income									
Net income (loss) for the first two quarters	-	-	-	-	-	-	-	(9,424,042)	(9,424,042)
Total comprehensive income for the first two quarters	-	-	-	-	-	-	-	(9,424,042)	(9,424,042)
Transaction with owners									
Issuance of ordinary shares	40,152,978	-	-	-	-	-	-	-	40,152,978
Balances as at June 30, 2022	10,615,078,365	669,800,642	1,755,520,000	(18,642)	(416,223)	115,277,872,038	509,402	13,733,170,961	142,051,516,543

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)

Consolidated Statements of Cash Flows
For the six-months period ended June 30, 2022 and 2021
(All amounts in Philippine Peso)

	Jan 1 – Jun 30	
	2022	2021
	(UNAUDITED)	(UNAUDITED)
Cash flows from operating activities		
Income before income tax	(9,424,042)	7,941,010,566
Adjustments for:		
Interest expense	5,944	18,249
Depreciation	1,124,605	926,785
Amortization	18,229	9,491
Unrealized fair value gain on investment property	-	(7,961,398,888)
Interest income	(39,698)	(116,804)
Operating income (loss) before changes in working capital	(8,314,962)	(19,550,601)
Changes in working capital		
Receivables	(122,335,805)	517,617
Real estate held for sale and development	(112,433,304)	(44,604,890)
Prepayments and other current assets	(33,468,887)	(18,462,473)
Other assets	224,822	277,400
Accounts payable and accrued expenses	17,997,217	15,468,090
Cash generated from (absorbed by) operations	(258,330,919)	(66,354,857)
Interest received	39,698	116,804
Benefits paid	-	(852,373)
Net cash provided by (used in) operating activities	(258,291,221)	(67,090,426)
Cash flows from investing activities		
Acquisition of computer software	-	(42,232)
Acquisition of furniture and equipment	(152,306)	(191,282)
Acquisition of Land	-	(151,092,506)
Settlement of clearing costs	-	(1,202,600)
Acquisition of property and equipment	(98,375,727)	(120,390,840)
Net cash provided by (used in) investing activities	(98,528,033)	(272,919,460)
Cash flows from financing activities		
Settlement of borrowings	(6,248,954)	(274,299)
Proceeds from issuance of shares	40,152,978	-
Net cash provided by (used in) financing activities	33,904,024	(274,299)
Net increase (decrease) in cash for the period	(322,915,230)	(340,284,185)
Cash as at January 1	364,383,654	486,962,545
Cash as at June 30	41,468,424	146,678,360

PHILIPPINE INFRADEV HOLDINGS INC.**AGING OF ACCOUNTS RECEIVABLE****As of June 30, 2022****(All amounts in Philippine Peso)**

	<u>Amount</u>	<u>1-30 days</u>	<u>Over 30 days</u>	<u>Over 60 days</u>	<u>Over 90 days</u>
Receivable from Amaia	10,796,153	-	3,808,986	-	6,987,167
Receivable from HDMF	14,422,400	-	-	3,605,600	10,816,800
Advances to M. Carsula	1,417,341	-	-	-	1,417,341
Advances to officer/ employees	1,052,952	806,084	246,868	-	-
Advances to affiliates	230,982	-	-	-	230,982
Advances for contractors	148,077,368	15,519,060	-	112,900,833	19,657,475
Receivable from sold units	12,771,920	-	-	5,504,769	7,267,151
Advances to VGP	22,000,000	-	-	-	22,000,000
Advances to Greenroof Corp	25,117,941	-	-	-	25,117,941
Others	2,825,796	-	-	-	2,825,796
TOTAL ACCOUNTS RECEIVABLE	238,712,853	16,325,144	4,055,854	122,011,202	96,320,653

PHILIPPINE INFRADEV HOLDINGS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Corporate Information

Philippine Infradev Holdings Inc. (formerly IRC Properties, Inc.) (Parent Company) and Interport Development Corporation (IDC) (Subsidiary) were incorporated in the Philippines on February 24, 1975 and December 21, 1993, respectively. Parent Company is primarily involved in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms. IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes.

In 2018, Aggregate Business Group Holdings Inc. (ABG) purchased 26.94% ownership out of the 29.62% equity interest in the Parent Company previously held by Mabuhay Holdings Corporation. ABG is a domestic holding company. In 2019, ABG increased its ownership in the Parent Company to 71.28% through the purchase of additional shares making it the Group's ultimate parent company as at June 30, 2022.

On July 20, 2018, the Parent Company's Board of Directors (BOD) and shareholders approved the change in the Parent Company's corporate name to Philippine Infradev Holdings Inc. Such change was subsequently approved by the Securities and Exchange Commission (SEC) on October 30, 2018.

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of Makati City Government a Notice of Award for the construction and operation of the Makati Subway System (the "Project") to be implemented through a joint venture agreement. The Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. JRIC is a wholly-owned, foreign subsidiary of the Parent Company

On July 19, 2019, the Makati City Council approved City Ordinance No. 2019-A-020 (the "Ordinance") on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway Project.

On July 30, 2019, the Parent Company's BOD approved a resolution authorizing the Parent Company's execution, delivery and performance of the PPP JV Agreement with the Makati City Government, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP JV Agreement and the Parent Company submitted to the Makati City Government the US\$350 million performance bond which was accepted by the Makati City Government.

On February 18, 2020, the Notice to Proceed for the Subway Project was received by the Parent Company. The Subway project is expected to be completed within five (5) years for an estimated total project cost of US\$3.5 billion.

The Parent Company’s BOD approved the change in the Parent Company’s registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. (“RTI”) for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System Project through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

The Parent Company and its subsidiaries have been collectively referred hereinto as the Group.

The clearing of the Company’s Binangonan property is still the focus of the Company’s operations with the goal of completely freeing from third party claims 500 hectares of the 2,200-hectare property. Due to a number of factors, including the recognition of Supreme Court’s recognition of the superior rights of the bonafide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at June 30, 2022 and December 31, 2021. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group’s interaction with current occupants.

The Group is actively in the process of clearing and re-titling the large portion of the property in Binangonan for future developments.

The company is not dependent upon any customer. It does not hold any right on patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements.

As of June 30, 2022, the Company has total of twenty-six (26) personnel (December 2021 – 24 personnel) excluding the Chairman, President, Corporate Secretary and Assistant Corporate Secretary.

Note 2 - Cash

The account consists of:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
Cash in banks	P 39,704,688	P 363,119,918
Cash on hand	1,763,736	1,263,736
	P 41,468,424	P 364,383,654

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned from bank deposits for the quarter ended June 30, 2022 amounted to P 39,698 (Dec. 2021 – P0.19 million).

Note 3 - Receivables, net

The account consists of:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
Receivables from subcontractors	P 195,195,309	P 81,756,305
Receivables from sale of real estate held for sale and development	39,407,814	32,216,540
Advances to officers and employees	1,052,952	907,535
Others	3,056,778	1,496,668
	238,712,853	116,377,048
Provision for doubtful accounts	(5,737,233)	(5,737,233)
	P 232,975,620	P 110,639,815

Note 4 - Funds held by custodian bank

The account represents restricted funds from the proceeds of the Parent Company's cancelled stock rights offering in 1996, which was deposited with a local custodian bank. The local custodian bank is responsible for monitoring withdrawals or disbursements from the funds, and ensuring that all withdrawals and orders for payment made are in connection with, or relating to, any of the purposes specified in the work program submitted by the Group to the SEC in connection with the stock rights offering.

Following SEC's order to refund the money, the proceeds have been presented as liability in the consolidated statements of financial position. The Group does not have legal right to defer payment beyond one (1) year for any claims received, hence, the amount was presented as current liability.

During 2022 and 2021, there were neither payments of principal nor withdrawals from the account.

Note 5 - Real estate held for sale and development

This account represents cumulative development and construction costs of on-going housing projects in Binangonan, Rizal.

Details and movements of the account are as follows:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
At cost		
Beginning	P 1,161,788,731	P 1,078,634,094
Additions, including capitalized interest	134,618,488	93,240,017
Charged to cost of real estate sold	(22,185,184)	(10,085,380)
Total	1,274,222,035	1,161,788,731
Allowance for write-down	855,000	855,000
Ending	P 1,275,077,035	P 1,162,643,731

Note 6 - Prepayments and other current assets

The account consists of:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
Input value-added tax (VAT)	P 107,631,619	P 75,526,511
Prepaid taxes	14,412,483	13,048,704
Prepaid insurance	3,762,268	3,762,268
Advances to subcontractors	2,318,998	2,318,998
Others	1,086,035	1,086,035
	P 129,211,403	P 95,742,516

Note 7 - Investment property

The movements of this account are as follows:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
Beginning	P 39,708,520,001	P 30,485,989,041
Unrealized fair value gain on land	-	8,745,320,701
Provision for clearing costs	-	326,117,753
Additions	-	151,092,506
Ending	P 39,708,520,001	P 39,708,520,001

Note 8 - Property and equipment, net

Details of property and equipment and its movement are as follows:

	Condominium units and parking lots	Office equipment	Furniture and fixtures	Transportation and communication equipment	Building and Improvements	Construction- in-progress	Total
Cost							
January 1, 2021	11,203,812	1,753,242	1,722,719	7,416,388	1,389,629	2,653,603,769	2,677,089,559
Additions	7,129,891	141,204	126,974	2,284,553	-	166,164,155	175,846,777
Disposals	-	(11,998)	(233,654)	(1,984)	-	-	(247,636)
December 31, 2021	18,333,703	1,882,448	1,616,039	9,698,957	1,389,629	2,819,767,924	2,852,688,700
Additions	-	144,706.00	7,600.00	-	-	98,375,727	98,528,033.00
Disposals	-	-	-	-	-	-	-
June 30, 2022	18,333,703	2,027,154	1,623,639	9,698,957	1,389,629	2,918,143,651	2,951,216,733
Accumulated depreciation							
January 1, 2021	5,601,906	1,609,407	782,835	4,415,982	-	-	12,410,130
Depreciation	6,108,880	109,767	353,129	1,254,784	277,926.00	-	8,104,486
Disposals	-	(11,998)	(233,654)	(1,984)	-	-	(247,636)
December 31, 2021	11,710,786	1,707,176	902,310	5,668,782	277,926	-	20,266,980
Depreciation	-	61,533	154,394	769,715	138,963	-	1,124,605
Disposals	-	-	-	-	-	-	-
June 30, 2022	11,710,786	1,768,709	1,056,704	6,438,497	416,889	-	21,391,585
Net book value							
June 30, 2022	6,622,917	258,445	566,935	3,260,460	972,740	2,918,143,651	2,929,825,148
December 31, 2021	6,622,917	175,272	713,729	4,030,175	1,111,703	2,819,767,924	2,832,421,720

Note 9 - Intangible asset

Intangible assets pertain to contractual rights over the excess FAR granted to the Group.

The Group has been granted enforceable contractual rights under the PPP JV Agreement with the Makati City Government. These rights include contractual rights over the excess FAR (the “Rights”) under an ordinance issued and approved by the City Council of the Makati City Government as part of the terms of the conditions of the PPP JV Agreement to make the Subway System Project economically viable for the Group with the Parent Company being the main proponent. The Rights granted are a fundamental component of the PPP JV Agreement given the substantial amount of financial investments and risks associated with the Subway System Project. The Rights are distinct assets and separate from ownership of the Project Land. The Rights may be transferred, sold or conveyed to other parties without conditions at reporting date. However, utilization of the excess FAR is subject to ultimate ownership of the Project Land covered by the Subway System Project, either legally or economically or any other legal way of conveyance or transfer.

Note 10 - Other assets

Other assets consist of:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
Refundable deposits	P 1,467,041	P 1,691,862
Investments in equity securities	213,100	213,100
Computer software, net	29,096	47,325
Others	62,049	62,050
	P 1,771,286	P 2,014,337

Note 11 - Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
Accounts payable	P 20,278,372	P 15,503,520
Customers’ deposits	34,539,025	31,776,082
Retention payable	39,970,738	38,256,377
Lease liabilities	6,844,208	6,844,208
Accrued expenses and other liabilities		
Real property taxes	26,683,320	26,683,320
Interest, penalties and related charges	34,992,824	34,992,824
Payable to government agencies	2,891,060	1,114,287
Others	18,005,294	11,031,062
	184,204,841	166,201,680
Less: Non-current	1,945,631	1,945,631
	P 182,259,210	P 164,256,049

Note 12 - Provision for clearing costs

The movements in provision for clearing costs are as follows:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
Beginning	P 12,147,225,596	P 11,822,310,443
Change in estimate, net of unwinding of discount	-	326,117,753
Payments	-	(1,202,600)
Ending	P 12,147,225,596	P 12,147,225,596

Note 13 - Borrowings

The movements in borrowings and net debt reconciliation are as follows:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
Beginning	P 222,152,229	P 224,279,410
Cash flow changes		
Availments	-	-
Payments	(6,248,954)	(18,929,181)
Translation effect	-	16,802,000
Ending	215,903,275	222,152,229
Cash	(41,468,424)	(364,383,654)
Net debt	P 174,434,851	P (142,231,425)

Note 14 - Equity and deposits for shares subscription

(a) Share capital and share premium

Authorized capital and subscribed shares outstanding consist of:

	Authorized		Subscribed	
	Number of shares	Amount	Number of shares	Amount
<i>2022</i>				
Common shares with par value P1 per share *	9,500,000,000	9,500,000,000	6,061,578,964	6,061,578,964
Preferred shares with par value P10 per share**	1,000,000,000	10,000,000,000	656,655,400	6,566,554,000
			6,718,234,364	12,628,132,964
<i>2021</i>				
Common shares with par value P1 per share *	9,500,000,000	9,500,000,000	6,061,578,964	6,061,578,964
Preferred shares with par value P10 per share**	1,000,000,000	10,000,000,000	656,655,400	6,566,554,000
			6,718,234,364	12,628,132,964

*Issued and outstanding

**Not yet issued but fully paid

Deposits for future shares subscription

On July 20, 2018, the BOD and shareholders approved the increase in the authorized share capital from P1.50 billion to P19.5 billion, composed of P9.50 billion common shares and P10.00 billion preferred shares.

Subsequently, the Parent Company received from its shareholders deposits for future shares subscription amounting to P1.28 billion as at December 31, 2018, pending SEC's approval on the increase in authorized share capital. On March 15, 2019, following SEC's approval the Company issued the corresponding 4.56 billion common shares. Accordingly, the deposits for future shares subscription have been presented as part of equity as at December 31, 2018.

Subscription of preferred shares

The PPP JV Agreement provides that the Makati City Government shall contribute to MCSI, through the Parent Company, a total of 7.90-hectare properties in exchange for the Parent Company's preferred shares equivalent to the appraised value of the properties.

On October 31, 2019, relative to the PPP JV Agreement, the Parent Company entered into the Subscription Agreement with the Makati City Government for 656.66 million preferred shares of the Parent Company at P10 per share in exchange for the delivery of the Makati Land.

In February 2020, the Parent Company and the Makati City Government agreed to split the Subscription Agreement into two: (i) 656.66 million preferred shares to be paid with land properties owned by the Makati City Government with an appraised value of P6.57 billion as at September 13, 2019, and (ii) 65.67 million preferred shares to be acquired through 2% annual stock dividends for 5 (five) years until the 722.32 million preferred shares are fully issued.

The preferred shares shall have full voting rights, preference as to liquidation, with cumulative, participating (with common shares) and fixed dividends at a rate of 2% per annum from issuance of the Parent Company's preferred shares for five years until the total amount of dividends paid is P656.66 million. The preferred shares are convertible to: (i) common shares of the Parent Company, or (ii) twenty-five percent (25%) of the post conversion total issued and outstanding share capital of MCSI. The preferred shares are considered equity instruments based on their features

(b) Treasury shares

The Parent Company acquired some of its shares of stock amounting to P18,642 as a reserve for future claims of shareholders which are shown in its transfer agent's records but not in its accounts. It is the Group's policy to honor such claims and therefore, issue the said reacquired shares to shareholders upon their presentation of the original unrecorded stock certificates.

(c) Share warrants payable

In 2017, the Makati City Government entered into a Memorandum of Agreement with private entities, including Cross-Strait Common Development Fund Co. ("Cross Strait"), for the latter to conduct a study that aims to provide convenience to commuters in the Philippines' financial district, alleviate traffic congestion and spur development to areas outside of the central business district through the Subway System Project, and to cooperate with the Makati City Government in entering into a PPP, JV, build-operate-transfer contract or any of its variants, or any appropriate collaborative engagement upon successful awarding of the Subway System Project.

On June 1, 2018, the Parent Company's BOD approved the issuance in favor of Cross Strait 1.2 billion warrants, American option, with the strike price of P1.00 per share, valid for 5 years from issuance, in exchange for Cross Strait's rights over the Subway System Project. This was subsequently approved by at least 2/3 of the Parent Company's shareholders on July 20, 2018.

The Parent Company and Cross Strait finalized the agreement in 2019 in which Cross Strait formally transfers to the Parent Company its rights to the Subway System Project including the priority of bidding for the said project, topside development projects, construction and operation rights for the Subway System. The transaction also includes pre-feasibility studies, feasibility studies, legal due diligence, financial models, and business planning. The carrying value of the share warrants, based on the fair value of the assets received at transaction date, amounted to P1.76 billion as at June 30, 2022. The value of such assets which are required to complete the construction of the Subway System are included as part of construction-in-progress account under property and equipment in the consolidated statements of financial position.

(d) Earnings per share

Basic earnings per share for the quarter ended June 30, 2022 and for the years ended December 31, 2021 and 2020 are as follows:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)	December 31, 2020 (AUDITED)
Net income (loss) for the year	(9,424,042)	7,047,896,466	P 463,759,836
Weighted average number of shares outstanding	4,014,361,058	3,673,558,272	3,657,175,889
Earnings per share	(0.00)	1.92	0.13

Diluted earnings per share for the quarter ended June 30, 2022 and for the years ended December 31, 2021 and 2020 are as follows:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)	December 31, 2020 (AUDITED)
Net income (loss) for the year	(9,424,042)	7,047,896,466	P 463,759,836
Weighted average number of shares outstanding			
Common shares outstanding	4,014,361,058	3,673,558,272	3,657,175,889
Diluted shares	1,856,655,400	1,856,655,400	1,856,655,400
	5,871,016,458	5,530,213,672	5,513,831,289
Earnings per share	(0.00)	1.27	0.08

(e) Liability for refund of stock rights subscription

On February 19, 1996, the SEC approved the Group's application for the issuance of 40 billion shares, by way of stock rights offering, at an offer price of P0.012 per share. The Group commenced its stock rights offering on March 31, 1997. However, on July 15, 1997, the SEC revoked the Certificate of Permit to Sell Securities and ordered the Group and its custodian bank to immediately return to subscribers the proceeds from the rights offering currently held in escrow. The proceeds from the offering, which remained unclaimed by the subscribers, are shown as "Liability for refund of stock rights subscription" in the current liabilities section of the consolidated statement of financial position.

Note 15 - Salaries, wages and employee benefits

Details of salaries, wages and employee benefits are as follows:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
Salaries and wages	P 4,419,554	P 8,238,279
Bonus and allowances	490,250	1,736,909
Separation pay	-	542,762
SSS, Philhealth and HDMF	288,391	-
	P 5,198,195	P 10,517,950

Note 16 - Other expenses

Details of other expenses are as follows:

	June 30, 2022 (UNAUDITED)	December 31, 2021 (AUDITED)
Input VAT write-off	P -	P 6,951,172
Medical	500,412	394,112
Marketing	1,331,064	398,315
Dues and subscription	694,049	500,258
Gasoline, oil and parking	229,256	345,290
Transportation and travel	9,256	144,167
Repairs and maintenance	595,891	660,558
Personnel	403,902	580,194
Light and water	751,439	728,700
Meals	294,572	487,403
Communication	117,884	260,975
Amortization	18,229	37,103
Miscellaneous	3,523,774	2,361,823
	P 8,469,728	P 13,850,070

Note 17 - Leases

(a) Group as lessor

Rental income represents income from lease of a parcel of the Group's land property to a third party for a period of one (1) year, renewable thereafter every April 1 upon mutual agreement by the Company and its respective lessee.

(b) Group as lessee

The Group has a non-cancellable lease agreement for its office spaces. The original agreement has a term of three (3) years and is renewable on an annual basis thereafter. The Group also is also a lessee under non-cancellable lease agreements with third parties for the accommodation of its officers, with terms of one (1) to three (3) years.

Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The Group has adopted PFRS 16 effective January 1, 2019. The lease payments with the Group as lessee have been recognized as right-of-use assets and lease liabilities in the consolidated statements of financial position as at January 1, 2019. The Group applied the modified retrospective approach in transitioning to PFRS 16.

Note 18 - Contingencies

The Group has contingent liabilities with respect to claims, lawsuits and taxes which are pending decision by the courts or being contested, the outcome of which are not presently determinable. The detailed information about these claims, lawsuits and taxes has not been disclosed as it might prejudice the ongoing litigations. Management is of the opinion that an adverse judgment in any one case will not materially affect its financial position and financial performance. Management believes that liability arising is not probable, thus, no provisions were made during the year.

The Group has also unrecognized contingent assets pertaining to Binangonan properties. Such assets will be recognized when assets are cleared and/or under the legal and economic possession of the Group.

Note 19 - Related party transaction

In the normal course of business, the Company has transactions with its major shareholders and related parties under common control.

Note 20 - Financial risk and capital management

20.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Management, under the direction of the BOD is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group's financial performance due to the unpredictability of the real estate industry.

20.1.1 Market risk

(a) Currency risk

The Group's exposure on currency risk is minimal and limited only to foreign currency denominated cash in banks at reporting date. Changes in foreign currency exchange rates of these accounts are not expected to have a significant impact on the financial position or results of operations of the Group.

(b) Interest rate risk

Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's borrowings and lease liabilities. These financial instruments are not exposed to fair value interest rate risk as these are carried at amortized cost. Likewise, these instruments are not significantly exposed to variability in cash flows as these carry fixed interest rates.

(c) Price risk

Quoted financial assets at fair value through other comprehensive income are acquired at certain prices in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers, or factors affecting all instrument traded in the market. Depending on several factors such as interest rate movements the country's economic performance political stability and inflation rates, these prices change, reflecting how market participants view the developments. Price risk is insignificant to the Group since investment in securities is not material.

20.1.2 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation.

(a) Cash in banks and funds held by custodian bank

The Group manages credit risk on its cash in bank by depositing in banks that passed the criteria of the Group. Some of these criteria are stability, financial performance, industry-accepted ratings, quality, diversity and responsiveness of products and services.

(b) Receivables

In respect of receivables from sale of real estate held for sale and development, credit risk is managed primarily through credit reviews and analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures.

Other receivables consist mainly of advances to third party subcontractors. The Group limits its exposure to credit risk by transacting only with counterparties that have appropriate and acceptable credit history.

Simplified approach

Exposure to impairment losses on receivables from sale of real estate held for sale and development is not significant as the real estate properly titles are not transferred to the buyers until significant payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

The Group is under a financing scheme where significant portion of the sales price is paid by Home Development Mutual Fund (HDMF) to the Group. The installment portion shouldered by the buyer from the sales are non-interest bearing and are generally within a credit term of 180 days from reservation prior to collection from HDMF. The Group no longer has a continuing involvement on the real properties once the Group received the proceeds from HDMF, aside from the finalizing the transfer of real estate property title to the buyers.

General approach

Receivables under this category pertain to receivables from subcontractors, which are aged beyond one (1) year as at June 30, 2022 and December 31, 2021. Credit risk is considered low as the counterparties, which have ongoing projects for the Group, possess sufficient financial capacity to meet their obligations as at June 30, 2022 and December 31, 2021.

(c) Refundable deposits

Refundable deposits are considered highly recoverable as the counterparty is assessed to have strong capacity to meet its obligation to return the funds upon expiration of the arrangement. Impairment assessment for refundable deposit is insignificant.

20.1.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when these fall due. The consequence may be the failure to meet obligations to repay creditors and fulfill commitments.

All financial assets and liabilities are current as at reporting dates, except for the non-current portion of refundable deposits, borrowings and lease liabilities.

To manage liquidity, funding of maturing obligation will come either from future sale of developed properties, additional investments by shareholders and/or financing from banks or similar institutions.

20.2 Capital management

The Group's main objective is to ensure it has adequate capital moving forward to pursue its major land development, housing projects and other infrastructure projects.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide future returns to its shareholders and to maintain an optimal capital structure to reduce its cost of capital. For this purpose, capital is represented by total equity as shown in the consolidated statements of financial position, excluding fair value reserve on equity investments, remeasurement reserve on retirement benefit obligation and other reserve.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Group has fully complied with this requirement.

There was no change in the Group's capital management strategy and policies as at June 30, 2022 and December 31, 2021.

20.3 Fair value of financial instruments

The Group follows the fair value measurement hierarchy to disclose the fair values of its financial assets and liabilities.

As at June 30, 2022 and December 31, 2021, the Group's investments in equity securities are classified under Level 1 and Level 2 categories and no financial instruments classified under Level 3 category. The carrying values of the Group's financial instruments as at reporting dates approximate their fair values due to their short-term nature. Non-current borrowings are discounted using the effective interest method which approximates fair value, while the impact of discounting non-current refundable deposits is immaterial.

Note 21 - 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, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition seldom equal the related actual results. The estimates and assumptions applied by the Group may cause adjustment to the carrying amounts of assets and liabilities within the next financial year.

21.1 Critical accounting estimates and assumptions

(a) Estimate of fair value of investment property

As at June 30, 2022 and December 31, 2021, the Group's investment properties have estimated fair values ranging from P1,971 (2020 - P1,891) per square meter for the Binangonan property and P0.07 million to P1.05 million (2020 - P0.03 million to P0.16 million) per square meter for the Makati property.

The fair values are based on the following significant assumptions used by the independent appraiser:

- current prices in an active market for properties of similar nature, condition or location, adjusted to reflect possible differences; and
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

The fair value of the Binangonan property was determined using the income approach as at June 30, 2022 and December 31, 2021 following the completion of the Binangonan property master plan, while the fair value of the Makati property was determined using the market approach as at June 30, 2022 and December 31, 2021.

The income approach is considered in valuing assets, land, or properties by reference to their development potential. The value is the residue of the gross development value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit. Meanwhile, the sales comparison was a comparative approach that considered the sales of similar or substitute properties and related market data, which may also consider current listings and offerings. The valuation of the investment properties was categorized as Level 3 measurement as it utilized adjusted inputs for valuation that were, for the major part, unobservable as at the date of valuation.

The sales comparison/market approach considered the sales of similar or substitute properties and related market data, which may also consider current listings and offerings. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the vicinity of the subject property.

(b) Provision for clearing costs

The Supreme Court affirmed the validity of the Parent Company's titles over its 2,200 hectares of Binangonan property. However, due to a number of factors, including the recognition of Supreme Court's recognition of the superior rights of the bona fide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at June 30, 2022 and December 31, 2021. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group's interaction with current occupants.

Management believes that the current provision is the best estimate based on existing conditions and circumstances as at June 30, 2022 and December 31, 2021. With this, it is reasonably possible, based on existing knowledge, that the outcomes within the next financial year that are different from estimates could require a material adjustment to the carrying amount of the provision for clearing costs.

(c) Estimating initial cost of intangible assets

The initial cost of the intangible assets was determined based on the fair value of the excess FAR of the properties covered by the Subway System Project. The fair value was estimated using the income approach.

The income approach is considered in valuing assets, land, or properties by reference to their development potential. The value is the residue of the gross development value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit.

(d) Determining NRV of real estate held for sale and development

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' estimated selling price in the ordinary course of business, costs of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories, management considers whether inventories are damaged or if their selling prices have declined.

Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

(e) Estimating incremental borrowing rate on leases

Payments for leases residential units are discounted using the lessee'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. To determine the incremental borrowing rate, the Group uses government bond yield as a starting point, adjusted to reflect changes in financing conditions if third-party financing was received. The discount rate applied by the Group is 7.38% in 2021 and 2020. Sensitivity analyses showed that changes in discount rate did not have significant impact on the consolidated financial statements.

21.2 Critical accounting judgments

(a) Collectability of the sales price

The Group considers the loan approval of HDMF as support for the collectability of the sales price of land and real estate properties. Management believes that it is probable to collect the consideration from buyers for revenues recorded for the periods ended June 30, 2022 and December 31, 2021.

(b) Impairment of financial assets at amortized cost

From January 1, 2018, the Group applied the ECL model associated with its financial assets at amortized cost. The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Allowance for doubtful accounts as at June 30, 2022 and December 31, 2021 amounted to P5.74 million. This is equivalent to the full lifetime ECL using the ECL model. Based on management's assessment, no additional impairment losses are required.

(c) Joint arrangements

Management enters into joint arrangements for the development of its properties and other infrastructure projects.

(d) Income taxes

Significant judgment is required in determining income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. In preparing the consolidated financial statements, management has made a conclusion that it is probable that the tax authority will accept its tax treatments and therefore, no provision for a differing tax treatment has been set-up.

The Group recognizes liabilities for anticipated tax audit issues based on estimates 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 current and deferred income tax provisions in the period in which such determination is made.

Management also reviews at each reporting date the carrying amounts of deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the related tax assets can be utilized.

(e) Contingencies

The Group is currently involved in a disputed claim. Management currently believes, in consultation with its legal counsels, that the ultimate outcome of the proceeding will not have a material effect on the Group's consolidated financial statements. It is possible, however, that future results of operations could materially be affected by changes in the estimate in the final outcome of the proceeding.

Note 22 - Summary of significant accounting policies

The principal accounting policies adopted 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 PFRS. The term PFRS in general includes all applicable PFRS, PAS, and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee, and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Financial Reporting Standards Council and adopted by the SEC.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments in equity securities and investment properties.

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.

Changes in accounting policies and disclosures

(a) New standards and amendments and interpretations to existing standards effective January 1, 2021

The following amendments to existing standards were relevant and adopted by the Group for the first time from January 1, 2021:

- COVID-19-related Rent Concessions - Amendments to PFRS 16 (effective April 1, 2021)

COVID-19-related rent concessions have been granted to lessees might take a variety of forms, including payment holidays and deferral of lease payments. The amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications.

The relief was originally effective on June 1, 2020 and limited to reduction in lease payments that were due on or before June 30, 2021. The amendments were subsequently extended effective April 1, 2021 to payments that are due to on or before June 30, 2022. The Group had no transactions which were affected by these amendments.

There are no new standards, and other amendments and interpretations to existing standards which are effective on January 1, 2021 that were adopted by the Group as they are not relevant to the latter's financial reporting.

(b) New standards, and amendments and interpretations to existing standards issued but not yet effective as at December 31, 2021

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2021 reporting periods and have not been early adopted by the Group. None of these are expected to be relevant and have an effect on the financial reporting of the Group, while the most relevant ones are set out as follows:

- Annual Improvements to International Financial Reporting Standards/PFRS 2018-2020 (effective January 1, 2022)

The following improvements were finalized in May 2020:

- PFRS 9, Financial Instruments: clarification of which fees should be included in the 10% test for derecognition of financial liabilities.
- PFRS 16, Leases: amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

The improvements are not expected to significantly affect the Group's accounting policies.

- Proceeds before intended use - Amendments to PAS 16, Property, Plant and Equipment (effective January 1, 2022)

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is "testing whether the asset is functioning properly" when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of an entity's ordinary activities. The amendments are not expected to significantly affect the Group's accounting policies.

- Onerous Contracts - Cost of Fulfilling a Contract Amendments to PAS 37, Provisions, Contingent Liabilities and Contingent Assets (effective January 1, 2022)

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognizing a separate provision for an onerous contract, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract. The amendments are not expected to significantly affect the Group's accounting policies.

- Classification of Liabilities as Current or Non-current - Amendments to PAS 1 (effective January 1, 2023)

The narrow-scope amendments to PAS 1, Presentation of Financial Statements, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of an entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the "settlement" of a liability. The amendments are not expected to significantly affect the Group's classification of liabilities.

- Disclosure of Accounting Policies - Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgements (effective January 1, 2023)

PAS 1 is amended to 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. The amendments further clarify that immaterial accounting policy information does not need to be disclosed. If it

is disclosed, it should not obscure material accounting information. To support this amendment, PFRS Practice

Statement 2 was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are not expected to significantly affect the Group's accounting policies.

- Definition of Accounting Estimates - Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (effective January 1, 2023)

The amendments clarify how companies should distinguish change in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments are not expected to significantly affect the Group's accounting policies.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to PAS 12, Income Taxes (effective January 1, 2023)

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

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

The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate. The amendments are not expected to significantly affect the Group's accounting policies.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and wholly-owned subsidiaries, MCSI, JRIC and Interport Development Corporation (IDC) as at June 30, 2022 and December 31, 2021 and for each of the period ended June 30, 2022 and December 31, 2021.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company does not differ from the proportion of ordinary shares held.

(a) Subsidiaries

Subsidiaries are all entities (including structured 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 an entity and has the ability to affect those returns through its power over an

entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial reporting and operating policies by virtue of de facto control. De facto control may arise in circumstances where the size Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Intercompany transactions, balances and unrealized gains on transactions between companies in the Group are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the

relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount 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. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

22.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity. The Group recognizes a financial instrument in the consolidated statement of financial position, when and only when, the Group becomes a party to the contractual provisions of the instrument.

22.2.1 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on an entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes. As at June 30, 2022 and December 31, 2021, the Group holds financial assets at FVOCI and at amortized cost.

The financial assets at amortized cost of the Group comprise: cash in banks, receivables, excluding advances to officers and employees, funds held by custodian bank, and refundable deposits under other assets while financial assets at FVOCI pertain to investments in equity securities under other assets in the consolidated statements of financial position. These are included in current assets, except for maturities greater than 12 months after the reporting date, which are then classified as non-current assets.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. 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.

On the disposal of equity instruments classified as FVOCI, any related balance within the FVOCI reserve is reclassified to retained earnings.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three (3) measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** 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 included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in income/(expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of total comprehensive income.
- **FVOCI:** 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 other comprehensive income, 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 other comprehensive income is reclassified from equity to profit or loss and recognized in 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 income/(expenses) and impairment losses are presented as separate line item in the consolidated statement of total comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

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 other comprehensive income, 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 statement 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.

(d) Impairment

The Group assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the PFRS 9 simplified approach to measuring ECL for all trade receivables which uses a lifetime expected loss allowance from initial recognition. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the collection profiles over a period of 60 months before the beginning of the reporting dates and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the bank interest rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

For cash in banks, other receivables that are financial assets, funds held by custodian bank and refundable deposits, the general approach is applied. Under this approach, credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognized.

The carrying amount of the receivables is reduced through the use of an allowance account, and the amount of the loss is recognized in expenses in the consolidated statement of total comprehensive income. When a receivable is uncollectible, it is written-off against the allowance account for receivables. Receivables are written-off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than that agreed with Group. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized through profit or loss.

Reversals of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with debtors as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off are recognized in expenses in the consolidated statement of total comprehensive income.

22.2.2 Financial liabilities

(a) Classification

The Group classifies its financial liabilities at initial recognition in the following categories: at FVPL (including financial liabilities held for trading and those designated at fair value) and financial liabilities at amortized cost. The Group only has financial liabilities at amortized cost as at June 30, 2022 and December 31, 2021.

The Group's financial liabilities at amortized cost comprise accounts payable and other liabilities, excluding customers' deposits, payable to government agencies and accrued real property taxes, borrowings, and liability for refund of stocks rights subscription, and lease liabilities are classified

under this category. These are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as non-current liabilities.

Issued financial instruments or their components, which are not designated at FVPL, are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder.

(b) Initial recognition and derecognition

Financial liabilities are initially recognized at fair value of the consideration received plus directly attributable transaction costs. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(c) Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

22.2.3 Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated statement 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.

22.3 Cash and funds held by a custodian bank

For purpose of presentation in the consolidated statement of cash flows, cash consists of cash on hand and deposits held at call with banks. Funds that are restricted and designated for particular purpose are shown separately from cash in the consolidated statement of financial position and are classified as current or non-current depending on the expected timing of disbursements. These are stated at face value or nominal amount.

22.4 Receivables

Receivables arising from regular sale of real estate held for sale and development made in the ordinary course of business are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment. Receivables are measured at the original invoice amount (as the effect of discounting is immaterial), less any provision for impairment. Other relevant accounting policies are discussed in Note 26.2, except for advances to officers and employees.

Advances to officers and employees are unliquidated cash advances for the Group's expenses. These are initially recognized at nominal amount and derecognized upon liquidation. They are included in current assets, except for expected liquidations greater than 12 months after the reporting date, which are then classified as non-current assets.

22.5 Prepayments and other current assets

Prepayments and other assets are recognized in the event that payment has been made in advance of obtaining right of access to receipt of services and measured at the amount of cash paid, which is equal to its nominal amount. Prepayments and other assets are recognized as expense either with the passage of time or through use or consumption.

Prepayments and other assets are carried at cost and are included in current assets, except when the related goods or services are expected to be received and rendered more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

Prepayments in the form of unused tax credits are derecognized when there is a legally enforceable right to offset the recognized amounts against income tax due and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Input VAT are stated at face value less provision for impairment, if any. Any allowance for unrecoverable input, if any, is maintained by the Group at a level considered adequate to provide for potential uncollectible portions of the claims. Management evaluates the level of impairment provision on the basis of factors that affect the collectivity of the claim. The Group, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment losses.

Payments made as security for the leases entered into by the Group and will be returned to the Group at the end of the lease term are recognized as refundable deposits.

22.6 Real estate held for sale and development

The account includes land held for development, which refers to land acquired exclusively for development and resale thereafter and real properties held for sale and development through housing projects. Real estate held for sale and development is stated at the lower of cost and NRV. The cost comprises purchase price plus costs directly attributable to the acquisition of the assets including clearing, retitling, site preparation and subsequent development costs. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Borrowing costs associated with on-going development of these properties are capitalized during its construction/development period.

The fair value of the land transferred from investment property to real estate held for sale and development account due to change in use on the property is deemed as cost for subsequent accounting. Transfers from investment property to real estate held for sale and development happen when the Group comes up with a concrete plan to clear the lots and/or when the Group enters into a memorandum of agreement with a third party to perform retitling and related clearing activities.

Upon disposal, the asset accounts are relieved of the pertinent costs of acquisition and improvements, and provision for decline in value (if any) and the related realized profit on sale is recognized in profit or loss.

22.7 Investment property

Investment property is defined as property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for: (a) use in the production of supply of goods or services or for administrative purposes; or (b) sale in the common course of business.

The Group's investment properties, principally comprising of properties in Binangonan, Rizal and in Makati City, Metro Manila, are held for capital appreciation and is not occupied by the Group. The Group has adopted the fair value model for its investment properties.

After initial recognition, investment property is carried at fair value as determined by an independent firm of appraisers. Fair value is based on income approach, which uses 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. These valuations are reviewed annually by the independent appraiser.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. On a regular basis, an estimate of the recoverable or clearable area over the properties is done by the Group. An increment in the recoverable area is recognized at fair value, with a consequent provision for estimated clearing costs.

Subsequent expenditure (i.e., provision for clearing costs) is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, classified as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Changes in fair values are recognized in profit or loss.

An investment property is derecognized from the consolidated statements of financial position on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Removal of an item within investment property is triggered by a change in use, by sale or disposal. Transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. If an investment property becomes owner-occupied, it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Gain or loss arising from disposal is determined as the difference between the net disposal proceeds and the carrying amount of the asset. Gain or loss on disposal is recognized in profit or loss in the period of the disposal.

Property that is being constructed or developed for future use as investment property is classified as investment property.

22.8 Intangible

Intangible assets arise from legally enforceable contractual right and is separable (that is, it is capable of being separated or divided from an entity and sold, transferred, or exchanged, either individually or together with a related contract, asset or liability). They are measured on initial recognition at cost. The costs of intangible assets arising from contractual right are their fair value as at the date of acquisition, determined using discounted cash flows as a result of the asset being owned. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The intangible assets are considered to have finite life.

Intangible assets with finite lives are amortized based on the utilization of the related land using the input method (cost-to-cost). The amortization will start upon commencement of the construction activities over the investment properties.

Intangible assets are assessed for impairment whenever there is an indication that an intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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 are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognized in profit or loss when the intangible asset is derecognized.

22.9 Investments in joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Group has entered into joint arrangement agreements with third parties to develop a portion of its land located in Binangonan, Rizal and in Makati City, Metro Manila. Under the terms of the agreements, the Group will contribute lots, construction and development to the joint arrangements. The Group recognizes revenue based on the sales of the pre-determined lots assigned in accordance with the provisions of the agreements.

The Group has assessed the nature of its joint arrangements with third parties and determined these to be joint operations.

The Group classifies the land contributed under real estate held for sale and development.

The Group has entered into a joint venture agreement with the Makati City Government as joint venture partner to develop a subway system in Makati City. Under the terms of the agreement, the Group will contribute to the construction, operation and management of the Makati City Subway System and the topside development over the land as specified in the agreement. The joint arrangement is structured through a separate vehicle, MCSI, which is a wholly-owned subsidiary.

The Group has assessed the nature of the joint arrangement with the Makati City Government and determined it to be joint operations.

The contractual arrangement establishes the parties' rights to the assets, and obligations for the liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses.

22.10 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and amortization and impairment, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, classified as repairs and maintenance, are charged to profit or loss during the year in which they are incurred.

Depreciation is calculated using the straight-line method over the estimated useful life of five (5) years for all classes of property and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their related accumulated depreciation are removed from the accounts. Gain or loss arising from disposal is determined as the difference between the net disposal proceeds and the carrying amount of the asset. Gain or loss on disposal is recognized in profit or loss in the period of the disposal.

22.11 Impairment of non-financial assets

Assets that have an indefinite useful life, such as investment in a subsidiary, and intangible assets, are not subject to depreciation and amortization and are tested annually for impairment. Assets that have definite useful life are subject to depreciation and amortization and are 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 costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are impaired are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in profit or loss.

22.12 Fair value measurement

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 a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that an 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:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyzes the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(a) Financial instruments

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. These instruments are included in Level 1. The Group's listed financial assets at FVOCI are included in Level 1.

The fair value of financial instruments 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. The Group's unlisted financial assets at FVOCI are included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. There are no financial instruments that fall under the Level 3 category. There were no transfers from one category to another in 2021 and 2020.

(b) Non-financial assets or liabilities

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). 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 Group's investment properties are under Level 3.

There are no other assets and liabilities that are measured using the fair value hierarchy as at June 30, 2022 and December 31, 2021.

22.13 Accounts payable and accrued expenses

Accounts payable and other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established. These are measured at the original invoice amount (as the effect of discounting is immaterial). Government-related liabilities initially recognized at nominal amount and not subject to discounting but are derecognized similarly. These are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as non-current liabilities.

22.14 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which these are incurred.

22.15 Income taxes

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates based on existing laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses or NOLCO and unused tax credits or excess MCIT to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are derecognized when the related bases are realized/settled or when it is no longer realizable/due.

22.16 Employee benefits

(a) Retirement benefits

The Parent Company is subject to the provisions of RA No. 7641. This law requires that 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 entity, may retire and shall be entitled to retirement pay equivalent to at least ½ month salary for every year of service, a fraction of at least six (6) months being considered as one whole year. This falls within the definition of a defined benefit retirement plan.

A defined benefit plan is a retirement plan that defines an amount of retirement benefit to be provided to an employee upon retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, if any.

The defined benefit obligation is calculated annually by an independent actuary 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 the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited as 'remeasurements' through other comprehensive income in equity 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 net balance of the defined benefit obligation and any fair value of plan assets. This cost is included in retirement benefit expense in profit or loss.

(b) 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 at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value. The related liability is derecognized when the obligation is discharged or cancelled.

(c) Short-term employee benefits

Wages, salaries, paid annual vacation and sick leave credits and other non-monetary benefits are accrued during the period in which the related services are rendered by employees of the Group. Short-term employee benefit obligations are measured on an undiscounted basis.

22.17 Contingencies and provisions

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes when inflows of economic benefits are probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

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 has been 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.

Provision for clearing costs represents the Group's expected cost to clear a portion of its Binangonan property and other properties that the Group acquires from bona fide occupants with superior rights over the Group's investment properties. The amount is based on the average estimated clearing and titling cost per agreement with the contractor. Such amount represents the peso value quoted by the contractor based on recoverable area and is adjusted regularly to reflect the net present value of obligation associated with clearing of land titles.

When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as an interest expense.

Provisions are derecognized when the obligation is settled, cancelled or has expired.

22.18 Deposits for future shares subscription

Deposits for future shares subscription represent amounts received from shareholders which will be settled by way of issuance of the Group's own shares at a future date. The Group considers the deposits as liability unless all of the following elements are present:

- The unissued authorized share capital of an entity is insufficient to cover the amount of shares indicated in the subscription agreement;
- There is a BOD's approval on the proposed increase in authorized share capital to cover the shares corresponding to the amount of the deposit;
- There is shareholders' approval of proposed increase; and
- The application for the approval of the proposed increase in authorized share capital has been filed with the SEC as at reporting date.

Deposits for future shares subscription are derecognized and converted to equity once corresponding shares have been issued.

22.19 Equity

(a) Share capital

Share capital, which are stated at par value, are classified as equity.

Issuance of new shares as a result of options, rights and warrants are shown in equity as an addition to the balance of share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The excess of proceeds from issuance of shares over the par value of shares or additional capital contributions in which no shares were issued are credited to additional paid-in capital.

(b) Treasury shares

Where any member of the Group purchases the Group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

(c) Retained earnings

Retained earnings include current and prior years' results of operations, net of transactions with shareholders and dividends declared, if any. Retained earnings also include the effect of changes in accounting policy as may be required by the relevant standards' transitional provisions on their initial adoption.

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's BOD.

(d) Stock rights offering

An issue of rights to existing shareholders of the Group that entitles them to purchase additional shares in proportion to their existing holdings, within a fixed time period, at a lower or discounted price to preserve the percentage ownership of the current holders.

Liability for stock rights subscriptions is derecognized once settled.

(e) Share warrants payable

Proceeds from the issue of common share warrants are treated as equity and recorded as a separate component of equity. Costs incurred on the issue of share warrants are netted against proceeds. Share warrants issued with common shares are measured at fair value at the grant date. The fair value is included as a component of equity and is transferred from share warrants to share capital on exercise date.

(f) Equity reserves

Equity reserves comprise actuarial gains and losses due to remeasurements of post-employment defined benefit plan, foreign currency translation of financial statements of a foreign subsidiary, the mark-to-market valuation of its financial assets at FVOCI and other reserve.

Other reserve arising from the recognition of intangible assets as a result of a contractual arrangement is restricted from dividend declaration. Such reserve is only available for use in corporate restructuring, reorganization and liquidation which will require authorization of the BOD and approval by the SEC.

22.20 Earnings per share

Basic earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive potential common shares.

22.21 Revenues and income, and costs and expenses

(a) Revenues from contracts with customers and other income

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities, which normally approximates the invoice amount.

Sales of real estate and costs of real estate sold

Sales are recognized when control of the real estate has transferred, being when the sales price is deemed collectible. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the Group. Collectability is also assessed by considering factors such as the credit standing of the buyer, age and location of the property.

Sales of real estate are considered as sales at a point in time. For properties sold through a financing agreement with Pag-IBIG under the HDMF, revenue is recognized upon loan approval from HDMF, net of any discount. For properties sold through cash, revenue is recognized upon full collection, net of any discount. For properties sold through installments, revenue is recognized upon turnover of the units to the buyers, which coincides with the collection of a significant portion of the contract price.

Any collections on contracts that have not yet qualified for revenue recognition are reported as customers' deposits within accounts payable and other liabilities in the consolidated statement of financial position.

Costs of real estate sold are recognized simultaneously with revenue. Costs of real estate sold include cost of land allocated to the Group based on assigned lots stated in the agreement entered into with the developer and all other incidental costs incurred by the Group.

Other income not covered by PFRS 15

(i) Interest income

Interest income is recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the original effective interest rate.

Interest income on bank deposits is recognized when earned, net of final tax.

(ii) Dividend income

Dividend income is recognized when the right to receive payment is established.

(iii) Rental income

Operating lease payments are recognized as income on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as income in the period in which they are earned.

(iv) Other income

Other income, including gain on reversal of liabilities, is recognized when earned.

(b) Costs and expenses

(i) Interest expenses

Interest expense is recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial liability.

(ii) Other costs and expenses

Other costs and expenses are recognized when incurred.

22.22 Leases

(a) Group as lessor - operating lease

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

The Group leases out a parcel of its land. Rental income is recognized in accordance with the rental income accounting policy in Note 22.21.

(b) Group as lessee - operating lease

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If such contracts exist, the Group then recognizes a right-of-use asset and lease liability at the date which the underlying asset is available for use.

(i) Measurement and classification of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, 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 Group:

- 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).

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities are included in current liabilities, except for maturities more than twelve (12) months after the reporting period which are classified as non-current liabilities.

(ii) Measurement and impairment of right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

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 Group is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying asset's useful life. Depreciation of right-of-use assets is presented under expenses in the consolidated statement of total comprehensive income.

Right-of-use assets are presented as part of property and equipment in the consolidated statement of financial position.

Right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(iii) Determination of incremental borrowing rate

To determine the incremental borrowing rate, the Group:

- 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).

(iv) 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 Group 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.

(v) Residual value guarantees

The Group initially estimates and recognizes amounts expected to be payable under residual value guarantees as part of the lease liability. The Group's leases did not include such guarantees.

(vi) 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 through profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with minimum lease payments below the

capitalization threshold. These leases are presented as part of rent under expenses in the consolidated statement of total comprehensive income.

22.23 Foreign currency transactions and translation

Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's consolidated financial statements are presented in Philippine Peso, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange 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 profit or loss.

22.24 Related party transactions and relationships

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 enterprises and their key management personnel, directors, or their shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged.

22.25 Operating segments

The Group's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services and serves different markets.

22.26 Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(For the Quarter Ended June 30, 2022)

The following discussion should be read in conjunction with the Consolidated Financial Statements of the Registrant that are incorporated to this Report by reference. Such Consolidated Financial Statements have been prepared in accordance with Philippine GAAP.

Philippine Infradev Holdings Inc. (formerly IRC Properties, Inc.) (Parent Company) and Interport Development Corporation (IDC) (Subsidiary) were incorporated in the Philippines on February 24, 1975 and December 21, 1993, respectively. Parent Company is primarily involved in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to

engage in real estate business in all its forms. IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes.

In 2018, Aggregate Business Group Holdings Inc. (ABG) purchased 26.94% ownership out of the 29.62% equity interest in the Parent Company previously held by Mabuhay Holdings Corporation. ABG is a domestic holding company. In 2019, ABG increased its ownership in the Parent Company to 71.28% through the purchase of additional shares making it the Group's ultimate parent company as at June 30, 2022.

On July 20, 2018, the Parent Company's Board of Directors (BOD) and shareholders approved the change in the Parent Company's corporate name to Philippine Infradev Holdings Inc. Such change was subsequently approved by the Securities and Exchange Commission (SEC) on October 30, 2018.

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of Makati City Government a Notice of Award for the construction and operation of the Makati Subway System (the "Project") to be implemented through a joint venture agreement. The Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. JRIC is a wholly-owned, foreign subsidiary of the Parent Company

On July 19, 2019, the Makati City Council approved City Ordinance No. 2019-A-020 (the "Ordinance") on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway Project.

On July 30, 2019, the Parent Company's BOD approved a resolution authorizing the Parent Company's execution, delivery and performance of the PPP JV Agreement with the Makati City Government, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP JV Agreement and the Parent Company submitted to the Makati City Government the US\$350 million performance bond which was accepted by the Makati City Government.

On February 18, 2020, the Notice to Proceed for the Subway Project was received by the Parent Company. The Subway project is expected to be completed within five (5) years for an estimated total project cost of US\$3.5 billion.

The Parent Company's BOD approved the change in the Parent Company's registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. ("RTI") for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System Project through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

The Parent Company and its subsidiaries have been collectively referred hereinto as the Group.

The clearing of the Company's Binangonan property is still the focus of the Company's operations with the goal of completely freeing from third party claims 500 hectares of the 2,200-hectare property. Due to a number of factors, including the recognition of Supreme Court's recognition of the superior rights of the bonafide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at June 30, 2022 and December 31, 2021. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group's interaction with current occupants.

The Group is actively in the process of clearing and re-titling the large portion of the property in Binangonan for future developments.

The company is not dependent upon any customer. It does not hold any right on patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements.

As of June 30, 2022, the Company has total of twenty-six (26) personnel (December 2021 – 24 personnel) excluding the Chairman, President, Corporate Secretary and Assistant Corporate Secretary.

Financial Condition

Interim Report (June 30, 2022)

The Company employed total assets of P 159,615,269,404 financed by total liabilities of P 17,563,752,861 and total stockholders' equity of P 142,051,516,543. Noncurrent assets amounted to P 157,918,862,435 consisting of investment property, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets stood at P 1,696,406,969.

Results of Operation

A comparative review of the Company's financial operations for the quarter ended June 30, 2022 *vis-à-vis* the same period last year showed the following:

The significant decrease of P7.9 billion in total revenue was mainly due to the recognition of unrealized fair value gain on investment property during 2021. Total cost and expenses increased by P33.09 million from P21.86 million mainly because of the higher cost of sales.

Material changes (June 30, 2022 vs. December 31, 2021)

Cash decreased by P322.92 million mainly because of the payment to the contractors and consultants related to the subway project and transit-oriented development. Other major payments were related to the land development and construction costs for the fourth subdivision of the Company named Casas Carlina.

Receivable increased by P122.34 million mainly because of the advances made to contractors.

Real estate held for sale and development increased by P112.43 million mainly because payments made for the land development and construction costs related to the fourth subdivision of the Company named Casas Carlina.

Prepayments and other current assets increased by P 33.47 million mainly because of the increase in Input VAT.

Property and equipment, net increased by P 97.40 million mainly because of the transactions of MCSI related to its project development costs.

Accounts payable and accrued expenses increased by 18 million mainly due to the customer deposit received from the buyers of Casas Carlina.

Borrowings decreased by 6.2 million mainly due to the settlement of bank loans.

Retained Earnings decreased by P9.42 million because of the net loss incurred.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Discussion of Material Events/Uncertainties Known to Management that would Address the Past and Impact on Future Operations

- a. The Company's capital expenditures commitments are land clearing cost and the Casas Aurora Project. It is not under any pressing obligation to pay its advances to affiliates. The Company has enough resources to cover payment of liabilities through the sale of some of its properties.
- b. The Management does not foresee any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- c. The Company does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships with unconsolidated entities or other persons created during the reporting period.
- d. The Management is not aware of any known trends, demands, commitments, events or uncertainties that have had or that are reasonably expected to have a material favourable or unfavourable impact on the company's liquidity, net sales or revenues or income from continuing operations.
- e. The Company does not have any significant elements of income or loss that did not arise from the company's continuing operations.

REGISTRANT'S COMPARATIVE FINANCIAL SOUNDNESS INDICATORS

	Jun. 30, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Working Capital	1,258,584,548	1,325,015,989	1,491,121,739	2,709,193,593
Current Ratio	3.87	4.11	6.70	12.32
Quick Ratio	3.54	3.83	6.36	8.01
Asset to Equity Ratio	1.12	1.12	1.12	1.12
Debt to Assets Ratio	0.11	0.11	0.10	0.11
Debt to Equity Ratio	0.12	0.12	0.12	0.12
Gross Profit Margin	0.51	1.00	0.98	0.99
Operating Profit Margin	(0.21)	0.99	0.81	0.95
Net Profit Margin	(0.21)	0.80	0.46	0.66
Return on Assets	(0.00)	0.04	0.00	0.02
Return on Equity	(0.00)	0.05	0.00	0.02
Interest Coverage Ratio	(1,584.47)	344.24	96.24	1,339

Current/ Liquidity Ratios - shows the ability of the company to pay off its debts over the next year.

Working Capital- computed as current assets minus current liabilities.

Current Ratio- computed as current assets divided by current liabilities.

Quick Ratio- computed as current assets minus prepayments and land held for development divided by current liabilities.

Solvency Ratios - measure the company's ability to pay all debts, particularly long-term debts.

Debt to Equity - computed as total liabilities divided by total equity.

Debt to Assets - computed as total liabilities divided by total assets.

Asset to Equity Ratio - measures financial leverage and long- term solvency. It shows how much of the assets are owned by the company. It is computed as total assets divided by stockholders' equity.

Interest Coverage Ratio - measures the company's ability to pay its interest charges. It is computed as income before income tax and interest expense divided by interest payments.

Profitability Ratios

Gross Profit Margin- shows how much of the company's revenue remains after the cost of sales. It is computed as gross profit divided by sales.

Operating Profit Margin- measures the amount of money that remains after paying sales and operating expenses. It is computed as earnings before taxes and interest divided by sales.

Net Profit Margin- shows the money remaining after paying all expenses. It is computed as net profit divided by sales.

Return on Assets- measures how effectively the company uses its assets to create revenue. It is computed as net income divided by total assets.

Return on Equity- measures how much money the company have earned on its investment. It is computed as net income divided by stockholders' equity.

REPORT ON SEC FORM 17-C:

Date	Particulars

REPORT ON SEC FORM 17-C AS AMENDED

Date	Particulars

PART II – OTHER INFORMATION

ITEM 4 - NON-APPLICABILITY OF OTHER SEC-REQUIRED NOTES

Notes required to be disclosed but are not applicable to the Registrant are indicated below:

- a. Assets Subject to Lien and Restrictions on Sales of Assets
- b. Changes in Accounting Principles and Practices
- c. Defaults
- d. Preferred Shares
- e. Pension and Retirement Plans
- f. Restrictions which Limit the Availability of Retained Earnings for Dividend Purposes
- g. Significant Changes in Bonds, Mortgages and Similar Debt
- h. Registration with the Board of Investments (BOI)
- i. Foreign Exchange losses Capitalized as part of Property, Plant & Equipment
- j. Deferred Losses Arising from Long-Term Foreign Exchange Liabilities
- k. Segment Reporting
- l. Disclosure not made under SEC Form 17-C: None

ITEM 5- RECOGNITION OF IMPACT OF THE FOLLOWING NEW STANDARDS

The following new standards do not have and are not expected to have a material impact on the Group's financial statements.

	Adopted/Not adopted/
a. Separate Financial Statements PAS 27 (Amended)	Not applicable
b. Investments in Associate and Joint Venture PAS 28	Adopted
c. Government Loans (Amendments to PFRS 1)	Adopted
d. Disclosure-Offsetting Financial Assets and Financial Liabilities (Amendments to PFRS 7)	Not applicable
e. Consolidated Financial Statements (PFRS 10)	Adopted
f. Joint Arrangements (PFRS 11)	Adopted
g. Disclosure of Interests in Other Entities (PFRS 12)	Adopted
h. Fair Value Measurement (PFRS 13)	Adopted
i. Financial Instruments (PFRS 9)	Not Adopted


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 thereunto duly authorized.

Issuer: PHILIPPINE INFRADEV HOLDINGS INC.



ANTONIO L. TIU
President and CEO



KEINTH ROGER B. CASTILLO
Treasurer

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						6	0	3	1	2
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COMPANY NAME

P	H	I	L	I	P	P	I	N	E		I	N	F	R	A	D	E	V		H	O	L	D	I	N	G	S		
I	N	C	.		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S									

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

3	8	F		A	&	B		R	U	F	I	N	O		P	A	C	I	F	I	C		T	O	W	E	R		
6	7	8	4		A	Y	A	L	A		A	V	E	N	U	E		M	A	K	A	T	I		C	I	T	Y	

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

S	E	C	
---	---	---	--

Secondary License Type, if Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

admin@infra.com.ph

Company's Telephone Number/s

(632) 8283-8459 / (632) 8283-8294

Mobile Number

--

No. of Stockholders

556

Annual Meeting (Month/Day)

--

Fiscal Year (Month/Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

KEINTH ROGER B. CASTILLO

Email Address

kbcastillo@infra.com.ph

Telephone Number/s

632) 8283-8459 / (632) 8283-8294

Mobile Number

+63917-7261993

CONTACT PERSON'S ADDRESS

38F (A&B), RUFINO PACIFIC TOWER, AYALA AVENUE, MAKATI CITY
--

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

2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of PHILIPPINE INFRADEV HOLDINGS INC. AND SUBSIDIARIES is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at and for the years ended December 31, 2021 and 2020, 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 misstatements, whether due to fraud or error.

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

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

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

Isla Lipana & Co., PwC (PricewaterhouseCoopers), 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 the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature of Ren Jinhua

REN JINHUA

Chairman of the Board of Directors

Signature of Antonio L. Tiu

ANTONIO L. TIU

Chief Executive Officer

Signature of Keinth Roger B. Castillo

KEINTH ROGER B. CASTILLO

Treasurer

Signed this 13th day of May 2022

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this MAY 13 2022 of 2022, affiants exhibiting to me their PRC ID and/or Passports, as follows:

Table with 4 columns: Affiant, PRC No. / Passport No., Date of Issue, Place of Issue. Rows include Ren Jinhua, Antonio L. Tiu, and Keinth Roger B. Castillo.

Doc. No. 121
Page No. 26
Book No. XV
Series of 2022

ATTY. GERVAISO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-82-(2021-2022)



Independent Auditor's Report

To the Board of Directors and Shareholders of
Philippine Infradev Holdings Inc. and Subsidiaries
38F (A&B), Rufino Pacific Tower
6784 Ayala Avenue, Makati City

Our Opinion

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

What we have audited

The consolidated financial statements of the Group comprise:

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

Basis for Opinion

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

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

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (the "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.



**Independent Auditor's Report
To the Board of Directors and Shareholders of
Philippine Intradev Holdings Inc. 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 judgments; 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 matters identified in our audit are summarized as follows:

- **Estimation of fair value of investment properties**
- **Estimation of provision for clearing costs of investment properties**

Independent Auditor's Report
To the Board of Directors and Shareholders of
Philippine Intradev Holdings Inc. and Subsidiaries
 Page 3

Key Audit Matter	How our audit addressed the Key Audit Matter
<p data-bbox="240 600 719 667">Estimation of fair value of investment properties</p> <p data-bbox="240 696 804 824">Refer to Notes 7 and 25.1 to the consolidated financial statements for the details of the investment properties and for the discussion on critical accounting estimates.</p> <p data-bbox="240 853 804 1205">This is an area of focus mainly due to the materiality of the asset and accounting estimation involved in valuing the asset. As at December 31, 2021, the Group reported investment properties in Binangonan, Rizal, and Makati City carried at fair value, amounting to P39.71 billion. An annual fair value assessment is performed based on the requirements of PFRS 13, Fair Value Measurement, and PAS 40, Investment Property.</p> <p data-bbox="240 1234 804 1395">During the year, management recognized an unrealized fair value gain on investment properties amounting to P8.74 billion. This is based on the valuation report prepared by an independent appraiser.</p>	<p data-bbox="831 600 1503 667">Our audit procedures to address the matter included the following:</p> <ul style="list-style-type: none"> <li data-bbox="831 696 1503 920">• Performed an understanding of the Group's process in making accounting estimates and determining whether there were any changes from the prior period in the method, judgment and assumptions used by the Group in relation to the fair value estimates of investment properties. <li data-bbox="831 920 1503 1081">• Evaluated the competence, capabilities and objectivity of the independent appraiser engaged by the Group through inspection of available public information regarding their profile, license, and client portfolio. <li data-bbox="831 1081 1503 1368">• Obtained and evaluated the appraisal reports of the independent third-party appraiser commissioned by the Group to determine the fair values of the investment properties at the reporting date. We involved our valuation experts in assessing the appropriateness of the methodology and the reasonableness of management's assumptions which include, among others, the following: <ul style="list-style-type: none"> <li data-bbox="879 1397 1503 1592">- <i>Sales price.</i> We independently verified the fair value assumptions used (e.g., similar market listing in the areas for sales prices, and market data and industry research for physical adjustment rates) in valuing the investment properties. <li data-bbox="879 1592 1503 1753">- <i>Expected annual cashflows.</i> We examined the expected future revenues and costs based on relevant market data used in preparing the valuation and compared them against available third-party sources. <li data-bbox="879 1753 1503 1877">- <i>Forecasted revenue growth.</i> We compared the growth rates used in the valuation against the average historical increase in prices in the Philippine real estate industry. <li data-bbox="879 1877 1503 2067">• <i>Pre-tax adjusted discount rate.</i> We involved our valuation experts to compare the discount rates used against our internally developed benchmarks and our recalculation of the Group's weighted average cost of capital.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Philippine Infradev Holdings Inc. and Subsidiaries
Page 4

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Estimation of provision for clearing costs</p> <p>Refer to Notes 12 and 25.1 to the consolidated financial statements for the details of provision for clearing costs and for the discussion on critical accounting estimates.</p> <p>This is an area of focus mainly due to the materiality of the liability and accounting estimation involved in calculating the balance of the liability. As at December 31, 2021, the Group reported provision for clearing costs amounting to P12.15 billion in the consolidated statement of financial position. The Group estimates the provision for clearing costs based on the land area expected to be issued with clear title. The clearing activities include negotiating with informal settlers to facilitate issuance of clear title.</p>	<p>Our audit procedures to address the matter included the following:</p> <ul style="list-style-type: none">• Performed an understanding of the Group's process in making accounting estimates and determining whether there were any changes from the prior period in the method, judgment and assumptions used by the Group in relation to the cost estimates of the provision for clearing costs.• Assessed the reasonableness of the projected cash flows, discount rate and timing of settlement used in calculating the present value of the provision by comparing the inputs and assumptions with the historical information on actual settlements per year, timing of clearing of titles, and with published market rates.

Other Information

Management is responsible for the other information. The other information comprise the information included in the SEC Form 20-IS (Definitive Information Statement), and SEC Form 17-A and Annual Report for the year ended December 31, 2021, but do 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 for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

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

In connection with our audits 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.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Philippine Infradev Holdings Inc. and Subsidiaries
Page 5

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 ability of each entity within the Group 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 an entity within the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Independent Auditor's Report
To the Board of Directors and Shareholders of
Philippine Infradev Holdings Inc. and Subsidiaries
Page 6

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 Paul Chester U. See.

Isla Lipana & Co.

Paul Chester See

Paul Chester U. See
Partner
CPA Cert. No. 104941
P.T.R. No. 0011425; issued on January 6, 2022 at Makati City
SEC A.N. (individual) as general auditors 104941-SEC, Category A;
valid to audit 2021 to 2025 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
T.I.N. 202-215-515
BIR A.N. 08-000745-122-2021; issued on March 2, 2021; effective until March 1, 2024
BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
May 13, 2022



Isla Lipana & Co.

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Philippine Infradev Holdings Inc. and Subsidiaries
38F (A&B), Rufino Pacific Tower
6784 Ayala Avenue, Makati City

We have audited the consolidated financial statements of Philippine Infradev Holdings Inc. and Subsidiaries as at and for the year ended December 31, 2021, on which we have rendered the attached report dated May 13, 2022. The supplementary information shown in the Reconciliation of Retained Earnings Available for Dividend Declaration and Map of the Group of Companies within which the Reporting Entity Belongs as required by Part I of SRC Rule 68, and Schedules A, B, C, D, E, F and G as required by Part II of SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic 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 basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with Parts I and II of SRC Rule 68.

Isla Lipana & Co.

Paul Chester See

Paul Chester U. See
Partner
CPA Cert. No. 104941
P.T.R. No. 0011425; issued on January 6, 2022 at Makati City
SEC A.N. (individual) as general auditors 104941-SEC, Category A;
valid to audit 2021 to 2025 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
T.I.N. 202-215-515
BIR A.N. 08-000745-122-2021; issued on March 2, 2021; effective until March 1, 2024
BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
May 13, 2022

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Independent Auditor's Report on
Components of Financial Soundness Indicators

To the Board of Directors and Shareholders of
Philippine Infradev Holdings Inc. and Subsidiaries
38F (A&B) Rufino Pacific Tower
6784 Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philippine Infradev Holdings Inc. and Subsidiaries (the "Group") as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated May 13, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated 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 Securities Regulation Code 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, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

Isla Lipana & Co.

Paul Chester U. See
Partner
CPA Cert. No. 104941
P.T.R. No. 0011425; issued on January 6, 2022 at Makati City
SEC A.N. (individual) as general auditors 104941-SEC, Category A;
valid to audit 2021 to 2025 financial statements
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Philippine Infradev Holdings Inc. and Subsidiaries

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

	Notes	2021	2020
<u>ASSETS</u>			
Current assets			
Cash	2	364,383,654	486,962,545
Receivables, net	3	110,639,815	93,710,702
Funds held by custodian bank	4, 14	17,604,114	17,578,914
Real estate held for sale and development	5	1,162,643,731	1,079,489,094
Prepayments and other current assets	6	95,742,516	75,114,884
Total current assets		1,751,013,830	1,752,856,139
Non-current assets			
Investment properties	7	39,708,520,001	30,485,989,041
Property and equipment, net	8	2,832,421,720	2,664,679,429
Intangible assets	9	115,278,746,000	115,278,746,000
Other assets, net	10	2,014,337	2,493,895
Total non-current assets		157,821,702,058	148,431,908,365
Total assets		159,572,715,888	150,184,764,504
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Accounts payable and other liabilities	11	164,256,049	124,364,719
Provision for clearing costs	12	21,985,449	40,321,767
Borrowings	13	222,152,229	79,469,000
Liability for refund of stock rights subscription	4, 14	17,604,114	17,578,914
Total current liabilities		425,997,841	261,734,400
Non-current liabilities			
Provision for clearing costs, net of current portion	12	12,125,240,147	11,781,988,676
Borrowings, net of current portion	13	-	144,810,410
Deferred income tax liabilities	18	4,994,984,372	3,370,029,112
Retirement benefit obligation	21	3,760,290	3,594,474
Other non-current liabilities	11	1,945,631	94,687
Total non-current liabilities		17,125,930,440	15,300,517,359
Total liabilities		17,551,928,281	15,562,251,759
Equity			
Share capital	14	10,574,925,387	10,223,729,889
Share premium	14	669,800,642	669,800,642
Share warrants	14	1,755,520,000	1,755,520,000
Treasury shares	14	(18,642)	(18,642)
Remeasurement reserve on retirement benefit obligation	21	509,402	646,063
Fair value reserve on investments in equity instruments		(416,223)	(416,223)
Other reserves	14	115,277,872,038	115,278,552,479
Retained earnings	14	13,742,595,003	6,694,698,537
Total equity		142,020,787,607	134,622,512,745
Total liabilities and equity		159,572,715,888	150,184,764,504

The notes on pages 1 to 54 are integral part of these consolidated financial statements.

Philippine Infradev Holdings Inc. and Subsidiaries

Consolidated Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2021
(All amounts in Philippine Peso)

	Notes	2021	2020	2019
Income				
Sales of real estate, net	5	19,780,500	40,395,500	77,315,179
Unrealized fair value gain on investment properties	7	8,745,320,701	957,647,924	4,650,192,348
Rental income	17	1,158,590	-	1,600
Interest income from cash	2	189,813	1,442,743	441,062
Other income		149,295	350,113	1,876,612
		8,766,598,899	999,836,280	4,729,826,801
Expenses				
Costs of real estate sold	5	10,085,380	16,197,743	44,474,359
Interest expense	13,17	20,521,296	8,542,581	3,342,405
Professional fees and other outside services		11,996,294	14,743,922	7,473,718
Salaries, wages and employee benefits	15	10,517,950	10,310,062	10,413,730
Depreciation	8	8,104,486	5,375,414	4,304,115
Unrealized foreign exchange loss	24	4,656,033	26,803,460	42,799,697
Taxes and licenses		4,015,894	3,135,208	113,765,196
Impairment losses on receivables	3	3,737,233	-	-
Meeting expenses		2,677,064	5,564,764	4,934,315
Commission		1,114,589	3,164,165	5,353,704
Retirement benefit expense	21	774,445	958,753	820,855
Donations		500,000	10,900,000	-
Office supplies		498,204	1,294,140	2,020,572
Rent	17	492,708	4,389,151	4,055,993
Loss on disputed debts	13	-	60,000,000	-
Other expenses	16	13,850,070	14,881,883	10,121,551
		93,541,646	186,261,246	253,880,210
Income before income tax		8,673,057,253	813,575,034	4,475,946,591
Income tax expense	18	(1,625,160,787)	(349,815,198)	(1,336,459,705)
Net income		7,047,896,466	463,759,836	3,139,486,886
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss:				
Remeasurement gain (loss) of retirement benefit obligation, net of tax	21	(136,661)	8,016	(165,871)
Items that will be reclassified to profit or loss:				
Translation gain (loss) on foreign subsidiary		(680,441)	(215,772)	22,251
		(817,102)	(207,756)	(143,620)
Total comprehensive income		7,047,079,364	463,552,080	3,139,343,266
Basic earnings per share	14	1.92	0.13	1.06
Diluted earnings per share	14	1.27	0.08	0.85

The notes on pages 1 to 54 are integral part of these consolidated financial statements.

Philippine Infradev Holdings Inc. and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2021
(All amounts in Philippine Peso)

	Share capital (Note 14)	Share premium (Note 14)	Deposits for future shares subscription (Note 14)	Share warrants payable (Note 14)	Treasury shares (Note 14)	Remeasurement reserve (Note 21)	Fair value reserve	Other reserves (Note 14)	Retained earnings (Note 14)	Total equity
Balances as at January 1, 2019	1,499,913,964	200,018,642	1,276,099,000	-	(18,642)	803,918	(416,223)	-	3,401,004,927	6,377,405,586
Comprehensive income (loss)										
Net income	-	-	-	-	-	-	-	-	3,139,486,886	3,139,486,886
Other comprehensive income (loss)	-	-	-	-	-	(165,871)	-	22,251	-	(143,620)
Total comprehensive income	-	-	-	-	-	(165,871)	-	22,251	3,139,486,886	3,139,343,266
Transaction with owners										
Issuance of common shares	2,157,261,925	469,782,000	(1,276,099,000)	-	-	-	-	-	-	1,350,944,925
Subscription of preferred shares	6,566,554,000	-	-	-	-	-	-	-	-	6,566,554,000
Transaction costs of share issuance	-	-	-	-	-	-	-	-	(292,574,374)	(292,574,374)
Reserve from contractual rights										
Granted	-	-	-	-	-	-	-	115,278,746,000	-	115,278,746,000
Share warrants	-	-	-	1,755,520,000	-	-	-	-	-	1,755,520,000
Total transactions with owners	8,723,815,925	469,782,000	(1,276,099,000)	1,755,520,000	-	-	-	115,278,746,000	(292,574,374)	124,659,190,551
Balances as at December 31, 2019	10,223,729,889	669,800,642	-	1,755,520,000	(18,642)	638,047	(416,223)	115,278,768,251	6,247,917,439	134,175,939,403
Comprehensive income (loss)										
Net income	-	-	-	-	-	-	-	-	463,759,836	463,759,836
Other comprehensive income (loss)	-	-	-	-	-	8,016	-	(215,772)	-	(207,756)
Total comprehensive income	-	-	-	-	-	8,016	-	(215,772)	463,759,836	463,552,080
Transactions with owners										
Transaction costs of share issuance	-	-	-	-	-	-	-	-	(16,978,738)	(16,978,738)
Balances as at December 31, 2020	10,223,729,889	669,800,642	-	1,755,520,000	(18,642)	646,063	(416,223)	115,278,552,479	6,694,698,537	134,622,512,745
Comprehensive income (loss)										
Net income	-	-	-	-	-	-	-	-	7,047,896,466	7,047,896,466
Other comprehensive income (loss)	-	-	-	-	-	(136,661)	-	(680,441)	-	(817,102)
Total comprehensive income	-	-	-	-	-	(136,661)	-	(680,441)	7,047,896,466	7,047,079,364
Transaction with owners										
Issuance of common shares	351,195,498	-	-	-	-	-	-	-	-	351,195,498
Balances as at December 31, 2021	10,574,925,387	669,800,642	-	1,755,520,000	(18,642)	509,402	(416,223)	115,277,872,038	13,742,595,003	142,020,787,607

The notes on pages 1 to 54 are integral part of these consolidated financial statements.

Philippine Infradev Holdings Inc. and Subsidiaries

Consolidated Statements of Cash Flows For each of the three years in the period ended December 31, 2021 (All amounts in Philippine Peso)

	Notes	2021	2020	2019
Cash flows from operating activities				
Income before income tax		8,673,057,253	813,575,034	4,475,946,591
Adjustments for:				
Interest expense	13, 17	20,521,296	8,542,581	3,342,405
Depreciation	8	8,104,486	5,375,414	4,304,115
Input value-added tax write-off	6, 16	6,951,172	5,895,915	1,146,998
Unrealized foreign exchange loss	24	4,656,033	26,803,460	42,799,697
Retirement benefit expense	21	774,445	958,753	820,855
Amortization of computer software	10	37,103	66,665	101,568
Gain on disposal of property and equipment	8	-	(142,114)	-
Interest income from cash in banks	2	(189,813)	(1,442,743)	(441,062)
Unrealized fair value gain on investment properties	7	(8,745,320,701)	(957,647,924)	(4,650,192,348)
Operating loss before changes in working capital		(31,408,726)	(98,014,959)	(122,171,181)
Changes in working capital:				
Receivables		(16,929,113)	3,171,732	204,352,305
Real estate held for sale and development		(83,154,637)	(90,741,429)	11,391,728
Prepayments and other current assets		(27,677,248)	(38,115,608)	(28,950,213)
Other assets		484,687	185,335,001	(186,067,280)
Accounts payable and other liabilities		53,492,706	15,018,450	(7,454,823)
Cash absorbed by operations		(105,192,331)	(23,346,813)	(128,899,464)
Interest received	2	189,813	1,442,743	441,062
Retirement benefits paid	21	(852,373)	(1,080,000)	-
Net cash used in operating activities		(105,854,891)	(22,984,070)	(128,458,402)
Cash flows from investing activities				
Proceeds from disposal of property and equipment		-	200,000	-
Payments for acquisition of computer software		(42,232)	(31,428)	-
Payments for expenditures on investment properties	7	(1,202,600)	(6,289,500)	-
Settlement of clearing costs	12	(151,092,506)	(738,453,576)	(4,758,590)
Payments for acquisition of property and equipment	8	(168,716,886)	(642,123,819)	(258,755,020)
Net cash used in investing activities		(321,054,224)	(1,386,698,323)	(263,513,610)
Cash flows from financing activities				
Proceeds from issuance of shares	14	351,195,498	-	1,350,944,925
Proceeds from availment of borrowings	13	-	143,999,240	72,512,000
Payments for share issuance costs	14	-	(16,978,738)	(292,574,374)
Payments for principal on borrowings	13	(18,929,181)	(511,645)	(2,351,001)
Payments for interest on borrowings	13	(307,718)	(823,007)	(406,459)
Payments for principal on lease liabilities	17	(3,949,438)	(3,662,020)	-
Payments for interest on lease liabilities	17	(307,718)	(437,246)	-
Net cash provided by financing activities		327,701,443	121,586,584	1,128,125,091
Net increase (decrease) in cash for the year		(99,207,672)	(1,288,095,809)	736,153,079
Cash as at January 1		486,962,545	1,802,077,586	1,108,701,953
Effect of exchange rate changes and other valuation adjustments on cash		(23,371,219)	(27,019,232)	(42,777,446)
Cash as at December 31	2	364,383,654	486,962,545	1,802,077,586

The notes on pages 1 to 54 are integral part of these consolidated financial statements.

Philippine Infradev Holdings Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

As at December 31, 2021 and 2020

and for each of the three years in the period ended December 31, 2021

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information

(a) Registration and organization

Philippine Infradev Holdings Inc. (the "Parent Company") was incorporated in the Philippines on February 24, 1975. The Parent Company is primarily engaged in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms.

The Parent Company became a public company through an initial public offering at the Philippine Stock Exchange (PSE) on February 27, 1978. There are no other offerings made other than new shares issued arising from stock rights offering in 2010. As at December 31, 2021 and 2020, 15.53% of the total outstanding common shares of the Parent Company is listed in the PSE.

The immediate and ultimate parent of the Parent Company is Aggregate Business Group (ABG) Holdings Inc. (ABG), a domestic holding company, which holds 75.10% (2020 - 71.28%) of the Parent Company's outstanding common shares as at December 31, 2021.

The Parent Company and its subsidiaries have been collectively referred hereinto as the Group.

The Parent Company's Board of Directors (BOD) approved the change in the Parent Company's registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

The consolidated financial statements have been approved and authorized for issue by the BOD on May 13, 2022.

(b) Significant events

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of the Makati City Government a Notice of Award for the construction and operation of the Makati City Subway System (the "Subway System") to be implemented through the PPP Joint Venture (PPP JV) Agreement. The Subway System Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway System Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company (Note 26.1).

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway System Project. JRIC is a wholly-owned, foreign subsidiary of the Parent Company (Note 26.1).

On July 19, 2019, the Makati City Council approved City Ordinance No. 2020-A-020 (the “Ordinance”) on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway System.

On July 30, 2019, the Parent Company’s BOD approved a resolution authorizing the Parent Company’s execution, delivery and performance of the PPP JV Agreement with the Makati City Government as the Joint Venture (JV) Partner, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP JV Agreement and the Parent Company submitted to the Makati City Government the US\$350 million performance bond which was accepted by the Makati City Government.

On February 18, 2020, the Notice to Proceed for the Subway System Project was received by the Parent Company. The Subway System Project is expected to be completed within five (5) years for an estimated total project cost of US\$3.50 billion.

On September 8, 2020, the Group executed the Engineering, Procurement, and Construction (EPC) contracts for the Subway System Project with China Construction Second Engineering Bureau Ltd. and Shanghai Electric Group Automation Engineering Co., Ltd. The EPC contracts cover (i) civil works, and (ii) mechanical, electrical, plumbing (MEP) works for a total price of US\$1.21 billion. The planned completion timeline is from December 12, 2020 to December 12, 2024.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. (“RTI”) for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

As at the date of the approval of the financial statements, the Group has completed the excavation and shoring works of the first phase of the underground walkway construction and concrete pouring of two mat foundation. The first phase covers Station 3 (located along Sen. Gil J. Puyat Avenue, Dela Rosa Street and Urban Avenue). Adjustments and optimization of the subway basic design have also been made according to the requirements of the Makati City Government. The detailed design of the station and section of the first phase of the Subway System has been completed. Certain major equipment and machineries are on site, but with incoming deliveries, to continue to the next phase of the construction in Station 5 (located along J.P. Rizal Street within the old Makati City Hall).

Additional information on the PPP JV Agreement is disclosed in Notes 7 and 9.

(c) Impact of Coronavirus 2019 (COVID-19)

Starting in the middle of March 2020, the President of the Philippines imposed a Community Quarantine (CQ) throughout the country in varying degrees as a result of the spread of the COVID-19 pandemic. The CQ significantly restricts the movement of people and most businesses are temporarily closed. The government is continuously implementing a series of measures to curb the effects of the COVID-19 pandemic. The Group has observed the government mandate and directives.

The Group's operations, both in real estate and infrastructure, are in the low-risk category. The bulk of its activities in the real estate operations is the land development and house construction of its current subdivision projects. There is little personal contact, except with its contractors. Selling is limited to its broker networks. As to the infrastructure operations, the Group continues to research, design and cooperate overseas in workplaces that are externally coordinated in various professional fields.

Due to the CQ being implemented, the Group has experienced an inevitable slowdown in operations in 2020. While CQ restrictions have gradually eased in 2021, sales have not improved as there are only few remaining houses to be sold under the Casas Aurora project in Binangonan, Rizal. Due to this, the Group has shifted its focus on the construction of houses for future sales in the Casas Carlina project in Binangonan, Rizal. The construction of the Subway System Project and acquisition of the remaining Makati properties covered by the Subway System Project for future transit-oriented development projects have gradually progressed in 2021. COVID-19 did not directly impact the value of the Group's assets and liabilities in the accounts as at December 31, 2021 and 2020. As at the date of BOD approval and authorization of issuance of the 2021 consolidated financial statements, the BOD and management are not aware of any material impact on the Group's financial position and results of operations in the next 12 months.

Note 2 - Cash

This account as at December 31 consists of:

	2021	2020
Cash on hand	1,263,736	613,363
Cash in banks	363,119,918	486,349,182
	364,383,654	486,962,545

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned from bank deposits for the year ended December 31, 2021 amounted to P0.19 million (2020 - P1.44 million; 2019 - P0.44 million).

Significant judgment - Expected credit loss (ECL)

Bank deposits are deemed by the Group to have low credit risk as the counterparty banks have strong capacity to meet their contractual obligations. The Group uses external ratings in assessing the credit risk arising from these exposures. Under Philippine Financial Reporting Standards (PFRS) 9, the low credit risk assets are, at a minimum, subject to 12-month ECL. Management has ascertained that the corresponding 12-month ECL is not material for financial reporting purposes.

The detailed accounting policy for impairment losses is disclosed in Note 26.2. Likewise, information on the credit quality of cash in banks is presented in Note 24.

Note 3 - Receivables, net

This account as at December 31 consists of:

	2021	2020
Receivables from subcontractors	81,756,305	59,049,608
Receivables from sale of real estate held for sale and development	32,216,540	35,596,435
Advances to officers and employees	907,535	646,771
Others	1,496,668	417,888
	116,377,048	95,710,702
Allowance for impairment losses	(5,737,233)	(2,000,000)
	110,639,815	93,710,702

Advances to officers and employees pertain to unliquidated cash advances.

In 2021, the Group recognized impairment loss allowance amounting to P3.74 million (2020 and 2019 - nil) on long-outstanding receivables.

Note 4 - Funds held by custodian bank

This account represents restricted funds from the proceeds of the Parent Company's cancelled stock rights offering in 1996, which was deposited with a local custodian bank. The local custodian bank is responsible for monitoring withdrawals or disbursements from the funds, and ensuring that all withdrawals and orders for payment made are in connection with, or relating to, any of the purposes specified in the work program submitted by the Group to the SEC in connection with the stock rights offering (Note 14).

Following SEC's order to refund the money, the proceeds have been presented as liability in the consolidated statements of financial position. The Group does not have legal right to defer payment beyond one (1) year for any claims received, hence, the amount was presented as current liability.

During 2021 and 2020, there were neither payments of principal nor withdrawals from the account.

Note 5 - Real estate held for sale and development

This account represents cumulative development and construction costs of on-going housing projects in Binangonan, Rizal.

Details and movements of this account as at and for the years ended December 31 are as follows:

	2021	2020
At cost		
At January 1	1,078,634,094	987,892,665
Additions, including capitalized interest	93,240,017	106,939,172
Charged to costs of real estate sold	(10,085,380)	(16,197,743)
At December 31	1,161,788,731	1,078,634,094
At net realizable value (NRV)		
At January 1 and December 31	855,000	855,000
At December 31	1,162,643,731	1,079,489,094

Revenues from real estate sold in 2021 amounted to P19.78 million million (2020 - P40.40 million; 2019 - P77.32 million).

Cost of real estate sold in 2019 amounted to P44.47 million.

Critical accounting estimate - Determining NRV of real estate held for sale and development

Real estate held for sale and development are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' estimated selling price in the ordinary course of business, costs of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the real estate inventories. As at December 31, 2021 and 2020, real estate inventories with cost of P1.30 million have allowance for NRV amounting to P0.45 million. Management has not identified any conditions or factors that would cause additional write-down of real estate held for sale and development to NRV.

Note 6 - Prepayments and other current assets

This account as at December 31 consists of:

	2021	2020
Input value-added tax (VAT)	75,526,511	55,334,020
Prepaid taxes	13,048,704	12,556,857
Prepaid insurance	3,762,268	3,762,268
Advances to subcontractors	2,318,998	2,375,703
Others	1,086,035	1,086,036
	95,742,516	75,114,884

The Parent Company wrote-off input VAT amounting to P6.95 million in 2021 (2020 - P5.90 million; 2019 - P1.15 million) (Note 16).

Note 7 - Investment properties

As at December 31, 2021, this account consists of the Group's 1,513-hectare (2020 - 1,513-hectare) property in Binangonan, Rizal, which is currently being cleared for future development, and 8.39-hectare (2020 - 8.30-hectare) property in Makati City relative to the Subway System Project (Note 1).

Movements of this account for the years ended December 31 are as follows:

	Note	2021	2020
At January 1		30,485,989,041	29,747,535,465
Unrealized fair value gain on land		8,745,320,701	957,647,924
Provision for (reversal of) clearing costs	12	326,117,753	(957,647,924)
Additions		151,092,506	738,453,576
At December 31		39,708,520,001	30,485,989,041

As at December 31, 2021 and 2020, no investment properties have been pledged as security for any of the Group's liabilities. The Group has contractual obligation to develop the land acquired from Makati City Government based on the PPP JV Agreement and the Binangonan property as discussed below.

As at December 31, 2021 and 2020, no borrowing costs were capitalized as part of investment properties.

Binangonan property

The Binangonan property was acquired in 1978 and part and parcel of the 2,200-hectare property.

On November 21, 1991, the Supreme Court affirmed previous decisions by the Court of Appeals and the Regional Trial Court confirming the validity of the Parent Company's titles over its Binangonan property. However, in the same Supreme Court decision, it was also declared that the Parent Company's ownership of the titles shall be subject to the declared superior rights of bona fide occupants with registered titles within the area covered by the questioned decree and bona fide occupants who have acquired ownership through acquisitive prescription of dominion and other real rights. The area of present claimants to certain parcels of land within the Parent Company's titled property is currently being identified and verified by the Group's legal counsel.

The cumulative unrealized fair value gain recognized amounting to P11.89 billion as at December 31, 2021 (2020 - P11.23 billion) is not available for dividend declaration (Note 14). Unrealized fair value gain on land for the year ended December 31, 2021 amounting to P663.21 million (2020 - P957.65 million; 2019 - P4.65 million) has been recognized in profit or loss. Unrealized fair value gain in 2020 pertain to reversal of provision of clearing costs.

Based on the appraisal performed by an independent external firm of appraisers, the Binangonan property has a fair value of P24.17 billion as at December 31, 2021 (2020 - P23.18 billion). In 2020, management engaged an appraiser to reassess the value of the Binangonan property. However, management did not recognize all fair value adjustments as they believe that the fair value as at December 31, 2020 for a significant portion of the properties has not significantly changed from their fair value as at December 31, 2019 since there were no significant changes in market conditions that significantly affect the fair value of investment properties as at December 31, 2020.

Makati property and the Public-Private Partnership Joint Venture (PPP JV) Agreement

Under the PPP JV Agreement, the Makati City Government, as the JV Partner, will provide MCSI through the Parent Company at least 32 hectares of land (the "Project Land"). The Project Land will consist of the areas required for the staging, construction, operation, maintenance and development of the Subway System as indicated in the feasibility study and/or as may be mutually agreed upon by the Makati City Government and the Parent Company (the "JV Parties") that currently belong to: (i) the Makati City Government, (ii) the Parent Company and (iii) third parties, which must be delivered and made available to MCSI in accordance with the Subway System Project's Land Acquisition Plan. The specific rights and obligations of the JV Parties are provided in the PPP JV Agreement.

On October 28, 2019, the Makati City Government transferred the beneficial ownership of a 7.87-hectare property in Makati City (the "Makati Land") to the Parent Company through an Asset Transfer Agreement in consideration for the issuance of the Parent Company's preferred shares (Note 14). These idle properties which are located at the identified stations of the Subway System will be used in the construction of topside development for residential, commercial and public uses.

The PPP JV Agreement also grants to MCSI through the Parent Company contractual rights over the Floor-to-Area Ratio (FAR) of 20 in the areas where the Project Land are located which was approved through the Makati City Ordinance No. 2020-A-020 in 2019. In the event that the Subway System is completed ahead of the completion target date, FAR will be increased to 22.

Until the issuance of the Certificate of Final Completion, the Makati Land can only be mortgaged, encumbered or used as collateral by MCSI upon the express consent and approval by all nominee directors of the Makati City Government in the Parent Company and MCSI.

The remaining Project Land that are yet to be acquired by MCSI from registered third-party owners has a total land area of 26.75 hectares as at December 31, 2021 (2020 - 26.84 hectares). In 2021, the Group acquired a total of 0.52 hectares (2020 - 0.43 hectares) of land from third-party owners.

Based on the appraisal performed by an independent external firm of appraisers, the Makati properties have a fair value of P15.54 billion as at December 31, 2021 (2020 - P6.57 billion). In 2020, management engaged an appraiser to reassess the value of the Makati property that were acquired prior to January 1, 2020. However, management did not recognize any fair value adjustment in 2021 as they believe that the fair value of the Makati property that were acquired prior to January 1, 2020 has not significantly changed from its fair value as at December 31, 2019 since there were no significant changes in market conditions that significantly affect the fair value of investment properties as at December 31, 2020. The costs of the properties acquired in 2020 amounting to P738.45 million are deemed approximate to their fair values as at December 31, 2020.

Significant judgment - Recognizing investment properties from the PPP JV Agreement

The Parent Company has substantially complied with the requirements of the PPP JV Agreement to acquire beneficial ownership of the Makati Land which was transferred to MCSI. While the beneficial ownership has been conveyed to MCSI through the Parent Company, the actual transfer and registration of the Makati Land in the name of MCSI has not yet been completed as the request for tax-free exchange ruling filed by the Makati City Government with the Bureau of Internal Revenue on November 7, 2019 is pending for approval. The Group's management and legal counsels believed that, based on current circumstances, there are no legal contingencies nor adverse claims by third parties affecting the status and titling of the Makati Land.

Critical accounting estimate - Determining initial cost of Makati property at acquisition date and fair value of investment properties at reporting dates

In 2021 and 2020, the fair values (Level 3) of the investment properties in Binangonan and Makati were determined based on the latest appraisal performed by an independent external firm of appraisers. The appraiser determined that the highest and best use of the Binangonan and Makati properties are mainly that of mixed-use development (residential, institutional or commercial).

For the Binangonan property, the appraisal method involved a valuation technique that determined the value of the property by reference to the value of income or cash flows generated by the asset. This approach considers income and expense data relating to the property being valued and estimates value through a capitalization process. Capitalization relates income (usually net income) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (whereby an overall capitalization rate or all risks yield is applied to a single year's income), called the direct capitalization technique. This approach reflects the principles of substitution and anticipation.

For the Makati property, the value of the land was based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison was premised on the factors of location, size and shape of the lot, time element and others.

For consolidated statement of cash flows purposes, the unrealized fair value gain and provision for clearing costs are considered non-cash transactions.

Estimating initial cost of Makati property and fair value of investment properties are further discussed in Note 25.1.

Note 8 - Property and equipment, net

Details of and movements in this account as at and during the years ended December 31 are as follows:

	Condominium units and parking lots	Office equipment	Furniture and fixtures	Transportation and communication equipment	Building and improvements	Construction-in-progress	Total
Cost							
January 1, 2020	11,203,812	1,659,906	1,722,719	8,097,800	-	2,012,976,146	2,035,660,383
Additions	-	93,336	-	13,231	1,389,629	640,627,623	642,123,819
Disposals	-	-	-	(694,643)	-	-	(694,643)
December 31, 2020	11,203,812	1,753,242	1,722,719	7,416,388	1,389,629	2,653,603,769	2,677,089,559
Additions	7,129,891	141,204	126,974	2,284,553	-	166,164,155	175,846,777
Disposals	-	(11,998)	(233,654)	(1,984)	-	-	(247,636)
December 31, 2021	18,333,703	1,882,448	1,616,039	9,698,957	1,389,629	2,819,767,924	2,852,688,700
Accumulated depreciation							
January 1, 2020	1,867,301	1,481,635	442,489	3,880,048	-	-	7,671,473
Depreciation	3,734,605	127,772	340,346	1,172,691	-	-	5,375,414
Disposals	-	-	-	(636,757)	-	-	(636,757)
December 31, 2020	5,601,906	1,609,407	782,835	4,415,982	-	-	12,410,130
Depreciation	6,108,880	109,767	353,129	1,254,784	277,926	-	8,104,486
Disposals	-	(11,998)	(233,654)	(1,984)	-	-	(247,636)
December 31, 2021	11,710,786	1,707,176	902,310	5,668,782	277,926	-	20,266,980
Net book value							
December 31, 2021	6,622,917	175,272	713,729	4,030,175	1,111,703	2,819,767,924	2,832,421,720
December 31, 2020	5,601,906	143,835	939,884	3,000,406	1,389,629	2,653,603,769	2,664,679,429

Construction-in-progress pertains to development costs such as architectural designs, environmental impact assessments, concept design and master planning for the Subway System Project.

The right-of-use assets as at December 31, 2021 and 2020 arising from leasing arrangements for residential units and parking lots are presented together with the Group's owned assets of the same class and are discussed in detail in Note 17.

There was no gain or loss on disposal of property and equipment in 2021 (2020 - P0.14 million gain; 2019 - nil) which is recognized as part of other income in the consolidated statements of total comprehensive income.

Additions to cost and depreciation expense in 2019 amounted to P2.03 billion and P4.30 million, respectively. The Group also disposed fully depreciated assets in 2019 with cost and accumulated depreciation of P1.19 million.

For cash flows purposes, additions in construction-in-progress that was paid through issuance of share warrants in 2019 (Note 14) are considered as a non-cash financing activity.

Note 9 - Intangible assets

Intangible assets as at December 31, 2021 and 2020 amounting to P115.28 billion pertain to contractual rights over the excess FAR granted to the Group.

As discussed in Note 7, the Group has been granted enforceable contractual rights under the PPP JV Agreement with the Makati City Government (Note 1). These rights include contractual rights over the excess FAR (the "Rights") under an ordinance issued and approved by the City Council of the Makati City Government as part of the terms of the conditions of the PPP JV Agreement to make the Subway System Project economically viable for the Group with the Parent Company being the main proponent. The Rights granted are a fundamental component of the PPP JV Agreement given the substantial amount of financial investments and risks associated with the Subway System Project. The Rights are distinct assets and separate from ownership of the Project Land. The Rights may be transferred, sold or conveyed to other parties without conditions at reporting date. However, utilization of the excess FAR is subject to ultimate ownership of the Project Land covered by the Subway System Project, either legally or economically or any other legal way of conveyance or transfer.

As at December 31, 2021 and 2020, the Project Land include certain land properties not yet legally or economically acquired by the Group. Pursuant to the PPP JV Agreement, the acquisitions of these properties are the ultimate obligation of the Makati City Government to the Group.

The initial cost of the intangible assets amounting to P115.28 billion was based on the final appraisal report dated December 31, 2019 that was prepared by an independent external firm of appraisers.

The recognition of intangible assets resulted in a credit to the other reserves account in equity (Note 14).

Significant judgment - Recognizing intangible assets from the PPP JV Agreement

Management believes that the recognition of the Rights as intangible assets meets the definition and recognition criteria of PAS 38, Intangible Assets, because of the following:

- The Rights are enforceable and legally owned by the Group as at December 31, 2021 and 2020;
- The Rights are distinct assets, separate from land ownership;
- The Rights can be transferred, sold or otherwise conveyed to other parties; and
- The inflow of economic benefits from the above Rights is more likely than not or probable as at December 31, 2021 and 2020. While the ultimate development of the underlying properties is conditioned upon land acquisition, the Group and the Makati City Government do not anticipate any significant risk associated with the acquisitions of such properties prior to actual implementation of development plans.

Management also believes that the value of the intangible assets is expected to increase after the construction of the Subway System and when it becomes operational.

Critical accounting estimates - Determining useful life and carrying value of intangible assets

The Group's intangible assets are subject to a definite useful life based on the utilization of the related land using the output method. Output is in reference to the square meters allocable to the intangible assets. The amortization will start upon commencement of significant construction activities of the transit-oriented development (TOD) projects/investment properties. There are no construction activities related to the TOD projects/investment properties as at December 31, 2021 and 2020.

The value of intangible assets at initial recognition has been determined using a valuation technique based on income approach. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow generated by the asset. This approach considers income and expense data relating to the property being valued and estimates value through a capitalization process. Capitalization relates income (usually net income) and a defined value type by converting an income amount into a value estimate.

This process may consider direct relationships (whereby an overall capitalization rate or all risks yield is applied to a single year's income) called the direct capitalization technique. The income approach reflects the principles of substitution and anticipation.

While the economic ownership has been conveyed to the Group, the assessment of the fair value of intangible assets at initial recognition is dependent on future cash flows and if these are below initial expectations, there is a risk that the assets will be impaired.

Estimating initial cost of intangible assets is further discussed in Note 25.1.

Note 10 - Other assets

This account as at December 31 consists of:

	2021	2020
Refundable deposits	1,691,862	2,176,549
Investments in equity securities	213,100	213,100
Computer software, net	47,325	42,196
Others	62,050	62,050
	<u>2,014,337</u>	<u>2,493,895</u>

Refundable deposits mainly consist of security deposits arising from the Group's leases (Note 17).

Amortization of computer software recognized for the year is disclosed in Note 16.

Note 11 - Accounts payable and other liabilities

This account as at December 31 consists of:

	Note	2021	2020
Accounts payable		15,503,520	15,243,562
Customers' deposits		31,776,082	31,356,673
Retention payable		38,256,377	19,596,441
Lease liabilities	17	6,844,208	3,663,755
Accrued expenses and other liabilities			
Real property taxes		26,683,320	26,683,320
Interest, penalties and related charges		34,992,824	13,694,341
Payable to government agencies		1,114,287	2,007,633
Others		11,031,062	12,213,681
		<u>166,201,680</u>	<u>124,459,406</u>
Less: Non-current portion of lease liabilities	17	1,945,631	-
Non-current portion of accrued interest		-	94,687
		<u>164,256,049</u>	<u>124,364,719</u>

Accounts payable are generally non-interest bearing and normally settled on a 30 to 60-day term.

Customers' deposits pertain to cash collected from customers for reservation fee, titling fee, processing fee and other fees.

Retention payable pertains to withheld amount to be paid to the contractor upon completion of projects.

Note 12 - Provision for clearing costs

This account represents estimated costs to clear the investment properties of Binangonan properties (Note 7).

As discussed in Note 7, the Supreme Court affirmed the validity of the Parent Company's titles over its 2,200-hectare property in Binangonan, Rizal. However, due to a number of factors, including the recognition of the Supreme Court of the superior rights of the bona fide occupants as well as potential challenges in clearing and re-titling of the said property, the Group has set-up the provision for clearing costs based on the estimated expenditure to clear the property, including compensation for current occupants to vacate the property.

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

	Note	2021	2020
At January 1		11,822,310,443	12,786,247,867
Change in estimate, net of unwinding of discount	7	326,117,753	(957,647,924)
Actual clearing costs paid		(1,202,600)	(6,289,500)
Total		12,147,225,596	11,822,310,443
Less: Non-current portion		12,125,240,147	11,781,988,676
Total current portion		21,985,449	40,321,767

Critical accounting estimate - Provision for clearing costs

The provision for clearing costs represents the present value of expected pay-outs using a pre-tax rate of 17.00% (2020 - 13.00%) as at December 31, 2021, which management assessed as reflective of current market assessments of the time value of money and the risks specific to the liability. Each year, the provision is reviewed for any change in estimate and consider accretion of discount, if any.

Where the discount rate used increased/decreased by 1% from management's estimates, the provision for clearing costs would be P652.37 million lower/P725.88 million higher (2020 - P777.55 million lower/P882.50 million higher).

Note 13 - Borrowings

This account represents unsecured loans from various creditors, with interest rates ranging from 7.50% to 10.00% and payment period terms of one (1) to two (2) years. The movements in the account and net debt reconciliation as at and for the years ended December 31 are as follows:

	2021	2020
At January 1	224,279,410	79,834,815
Cash flow changes:		
Availments	-	143,999,240
Payments	(18,929,181)	(511,645)
Translation effect	16,802,000	957,000
At December 31	222,152,229	224,279,410
Cash	(364,383,654)	(486,962,545)
Net debt	(142,231,425)	(262,683,135)
Borrowings		
Current	222,152,229	79,469,000
Non-current	-	144,810,410
	222,152,229	224,279,410

In 2020, the Group recognized loss amounting to P60.00 million for full settlement of dispute with certain creditors regarding the extinguished debt in 2018. There were no such gain or loss in 2021 and 2019.

Interest payments on borrowings for the year ended December 31, 2021 amounted to P0.31 million (2020 - P0.82 million; 2019 - P0.41 million) as shown in the consolidated statements of cash flows.

Note 14 - Equity

(a) Share capital, share premium and deposits for future share subscription

Details of share capital as at December 31 are as follows:

	Authorized		Subscribed		Share capital	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
2021						
Common shares with par value of P1 per share	9,500,000,000	9,500,000,000	6,061,578,964	6,061,578,964	4,008,371,387	4,008,371,387
Preferred shares with par value of P10 per share*	1,000,000,000	10,000,000,000	656,655,400	6,566,554,000	656,655,400	6,566,554,000
				12,628,132,964		10,574,925,387
2020						
Common shares with par value of P1 per share	9,500,000,000	9,500,000,000	6,061,578,964	6,061,578,964	3,657,175,889	3,657,175,889
Preferred shares with par value of P10 per share*	1,000,000,000	10,000,000,000	656,655,400	6,566,554,000	656,655,400	6,566,554,000
				12,628,132,964		10,223,729,889

*Subscribed shares are not yet issued but fully paid as at December 31, 2021 and 2020.

The movements in share capital and share premium for the years ended December 31 are as follows:

	Number of shares	Share capital	Share premium	Total
Common shares				
At January 1, 2020	1,499,913,964	1,499,913,964	200,018,642	1,699,932,606
Issuance of ordinary shares				
Subscription of ordinary shares (at P1.10)	4,516,280,000	4,516,280,000	451,628,000	4,967,908,000
Subscription of ordinary shares (at P1.40)	45,385,000	45,385,000	18,154,000	63,539,000
Outstanding subscription receivable	(2,404,403,075)	(2,404,403,075)	-	(2,404,403,075)
At December 31, 2020	3,657,175,889	3,657,175,889	669,800,642	4,326,976,531
Collection of subscription receivable	351,195,498	351,195,498	-	351,195,498
At December 31, 2021	4,008,371,387	4,008,371,387	669,800,642	4,678,172,029
Preferred shares				
At December 31, 2020 and 2021	656,655,400	6,566,554,000	-	6,566,554,000

The proceeds from issuances of shares in 2019 totaling to P1.35 billion was presented under cash flows from financing activities in the consolidated statements of cash flows. Such amount excludes the conversion of deposits for future share subscription as at December 31, 2018 as discussed in the succeeding section.

Costs for share issuances incurred in 2020 amounting to P16.98 million (2019 - P292.57 million) include payments for documentary stamp taxes, SEC filing fees, and other direct fees. There were no such costs in 2021.

Deposits for future shares subscription

On July 20, 2018, the BOD and shareholders approved the increase in the authorized share capital from P1.50 billion to P19.5 billion, composed of P9.50 billion common shares and P10.00 billion preferred shares.

Subsequently, the Parent Company received from its shareholders deposits for future common shares subscription amounting to P1.28 billion as at December 31, 2018, prior to SEC's approval on the increase in authorized share capital. On March 15, 2019, following SEC's approval, the Parent Company issued the corresponding 4.56 billion common shares. Accordingly, the deposits for future common shares subscription have been presented as part of equity as at December 31, 2018.

For consolidated statements of cash flows purposes, the conversion from deposits for future share subscription to common shares is considered a non-cash financing transaction.

Subscription of preferred shares

The PPP JV Agreement provides that the Makati City Government shall contribute to MCSI, through the Parent Company, a total of 7.90-hectare properties in exchange for the Parent Company's preferred shares equivalent to the appraised value of the properties (Notes 1 and 7).

On October 31, 2019, relative to the PPP JV Agreement, the Parent Company entered into the Subscription Agreement with the Makati City Government for 656.66 million preferred shares of the Parent Company at P10 per share in exchange for the delivery of the Makati Land (Note 7).

In February 2020, the Parent Company and the Makati City Government agreed to split the Subscription Agreement into two: (i) 656.66 million preferred shares to be paid with land properties owned by the Makati City Government with an appraised value of P6.57 billion as at September 13, 2020, and (ii) 65.67 million preferred shares to be acquired through 2% annual stock dividends for 5 (five) years until the 722.32 million preferred shares are fully issued.

The preferred shares shall have full voting rights, preference as to liquidation, with cumulative, participating (with common shares) and fixed dividends at a rate of 2% per annum from issuance of the Parent Company's preferred shares for five years until the total amount of dividends paid is P656.66 million. The preferred shares are convertible to: (i) common shares of the Parent Company, or (ii) twenty-five percent (25%) of the post conversion total issued and outstanding share capital of MCSI. The preferred shares are considered equity instruments based on their features.

Based on SEC Opinion Number 06-35 dated September 7, 2006, the terms and conditions for the issuance of preferred shares may be stated in the Articles of Incorporation (AOI) or the same may be fixed, by the BOD provided they are authorized under the AOI to fix the said terms and conditions. On October 31, 2019, the Parent Company's BOD approved the Asset Transfer Agreement, including the terms and conditions for the issuance of preferred shares to the Makati City Government.

(b) Treasury shares

The Parent Company acquired some of its shares of stock amounting to P18,642 as a reserve for future claims of shareholders which are shown in its transfer agent's records but not in its accounts. It is the Group's policy to honor such claims and therefore, issue the said reacquired shares to shareholders upon their presentation of the original unrecorded stock certificates.

(c) Share warrants

In 2017, the Makati City Government entered into a Memorandum of Agreement with private entities, including Cross-Strait Common Development Fund Co. ("Cross Strait"), for the latter to conduct a study that aims to provide convenience to commuters in the Philippines' financial district, alleviate traffic congestion and spur development to areas outside of the central business district through the Subway System Project, and to cooperate with the Makati City Government in entering into a PPP, JV, build-operate-transfer contract or any of its variants, or any appropriate collaborative engagement upon successful awarding of the Subway System Project.

On June 1, 2018, the Parent Company's BOD approved the issuance in favor of Cross Strait 1.2 billion warrants, American option, with the strike price of P1.00 per share, valid for 5 years from issuance, in exchange for Cross Strait's rights over the Subway System Project. This was subsequently approved by at least 2/3 of the Parent Company's shareholders on July 20, 2018.

The Parent Company and Cross Strait finalized the agreement in 2019 in which Cross Strait formally transfers to the Parent Company its rights to the Subway System Project including the priority of bidding for the said project, topside development projects, construction and operation rights for the Subway System. The transaction also includes pre-feasibility studies, feasibility studies, legal due diligence, financial models, and business planning. The carrying value of the share warrants, based on the fair value of the assets received at transaction date, amounted to P1.76 billion as at December 31, 2021 and 2020. The value of such assets which are required to complete the construction of the Subway System are included as part of construction-in-progress account under property and equipment in the consolidated statements of financial position. Construction-in-progress will be reclassified to the depreciable subway asset class upon completion per station.

(d) Earnings per share

Basic earnings per share for the years ended December 31 are as follows:

	2021	2020	2019
Net income	7,047,896,466	463,759,836	3,139,486,886
Weighted average number of shares outstanding	3,673,558,272	3,657,175,889	2,970,374,494
Basic earnings per share	1.92	0.13	1.06

Diluted earnings per share for the years ended December 31 are as follows:

	2021	2020	2019
Net income	7,047,896,466	463,759,836	3,139,486,886
Weighted average number of shares			
Common shares outstanding	3,673,558,272	3,657,175,889	2,970,374,494
Diluted shares	1,856,655,400	1,856,655,400	709,442,567
	5,530,213,672	5,513,831,289	3,679,817,061
Diluted earnings per share	1.27	0.08	0.85

(e) Liability for refund of stock rights subscription

On February 19, 1996, the SEC approved the Parent Company's application for the issuance of 40.00 billion shares, by way of stock rights offering, at an offer price of P0.012 per share. The Parent Company commenced its stock rights offering on March 31, 1997. However, on July 15, 1997, the SEC revoked the Certificate of Permit to Sell Securities and ordered the Group and its custodian bank to immediately return to subscribers the proceeds from the rights offering currently held in escrow (Note 4). The proceeds from the offering, which remained unclaimed by the subscribers, are shown as liability for refund of stock rights subscription in the current liabilities section of the consolidated statements of financial position.

(f) Retained earnings

As at December 31, 2021, the Group has retained earnings of P13.75 billion (2020 - P6.69 billion) which include cumulative unrealized fair value gain on the Group's investment properties amounting to P25.63 billion as at December 31, 2021 (2020 - P11.23 billion) that is not available for dividend declaration (Note 7).

(g) Other reserves

Details of this account as at December 31 are as follows:

	Note	2021	2020
Reserve from contractual rights granted	9	115,278,746,000	115,278,746,000
Cumulative translation reserve on foreign subsidiary		(873,962)	(193,521)
		115,277,872,038	115,278,552,479

Note 15 - Salaries, wages and employee benefits

Details of this account for the years ended December 31 are as follows:

	2021	2020	2019
Salaries and wages	8,238,279	7,730,793	7,973,651
Bonus and allowances	1,736,909	2,078,676	1,900,336
Statutory contributions	542,762	465,593	467,743
Separation pay	-	35,000	72,000
	10,517,950	10,310,062	10,413,730

Note 16 - Other expenses

Details of this account for the years ended December 31 are as follows:

	Notes	2021	2020	2019
Input VAT write-off	6	6,951,172	5,895,915	1,146,998
Light and water		728,700	267,616	560,311
Repairs and maintenance		660,558	502,313	1,054,392
Personnel		580,194	357,600	7,550
Dues and subscription		500,258	719,479	496,092
Meals		487,403	266,506	326,560
Marketing		398,315	1,498,422	335,621
Medical		394,112	1,571,188	785,157
Gasoline, oil and parking		345,290	642,838	1,216,868
Communication		260,975	266,316	377,842
Transportation and travel		144,167	607,627	1,639,007
Amortization of computer software	10	37,103	66,665	101,568
Miscellaneous		2,361,823	2,219,398	2,073,585
		13,850,070	14,881,883	10,121,551

Miscellaneous mainly include insurance, contractual fees, training expenses, and other operating costs.

Note 17 - Leases

(a) Group as lessor

The Group entered into an agreement to lease a parcel of the land property of the Group to a third party for a period of one (1) year, renewable upon mutual agreement by the Group and its lessee. The agreement was terminated in 2019.

In 2021, the Group entered into an agreement to lease a transportation equipment of the Group to a third party for a period of one (1) year, renewable upon mutual agreement by the Group and its lessee.

Rental income in 2021 amounted to P1.16 million (2020 - nil; 2019 - P 1,600). Future minimum lease collections within the next year amounted to P1.30 million as at December 31, 2021 (2020 - nil).

(b) Group as lessee

The Group is party to non-cancellable lease agreements for condominium units and parking lots for office space and accommodation of officers. The agreements have terms ranging from one (1) to (3) years and is renewable upon mutual agreement by the Group and its lessors.

Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

The refundable deposits recognized from the above lease agreements amounting to P1.64 million as at December 31, 2021 (2020 - P1.61 million) are presented as part of other assets account in the consolidated statements of financial position and are refundable at the end of the lease terms.

The lease payments with the Group as lessee have been recognized as right-of-use assets and lease liabilities in the consolidated statements of financial position as at December 31, 2021 and 2020.

Lease assets and liabilities as at December 31 are as follows:

	Notes	2021	2020
Right-of-use assets, net			
Residential units and parking lots	8	6,622,917	5,601,906
Lease liabilities			
Current		4,898,577	3,663,755
Non-current		1,945,631	-
	11	6,844,208	3,663,755

Lease assets are classified as part of property and equipment while the current portion of lease liabilities is classified as part of accounts payable and other liabilities in the consolidated statements of financial position.

Payments for leases of residential units and parking lots are discounted using the lessee'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. The Group used discount rate of 7.38% for its leases. Estimation involved in determining the discount rate is discussed in Note 25.1.

Movements in lease liabilities for the years ended December 31 are as follows:

	2021	2020
At January 1	3,663,755	7,325,775
Non-cash changes:		
Additions	7,129,891	-
Interest expense	307,718	437,246
Cash changes:		
Principal payments	(3,949,438)	(3,662,020)
Interest payments	(307,718)	(437,246)
At December 31	6,844,208	3,663,755

The consolidated statements of total comprehensive income for the years ended December 31 includes the following amounts under expenses relating to the Group's leases:

	2021	2020	2019
Depreciation of right-of-use assets	6,108,880	3,734,605	1,867,301
Rent expense from short-term and low-value leases	492,708	4,389,151	4,055,993
Interest expense from lease liabilities	307,718	437,246	221,229
	6,909,306	8,561,002	6,144,523

The Group's short-term leases are recognized on a straight-line basis as rent expense in profit or loss.

The total cash outflows for leases for the years ended December 31 are as follows:

	2021	2020
Payments of principal and interest on lease liabilities	4,257,156	4,099,266
Rent payments on short-term and low-value leases	492,708	4,389,151
	4,749,864	8,488,417

Note 18 - Income taxes

Republic Act (RA) No. 11534, known as the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Act, was signed into law on March 26, 2021. The salient provisions of CREATE that are relevant to the domestic entities in the Group are the lowering of the regular corporate income tax rate (RCIT) from 30% to 20% or 25%, depending on the level of total assets and net taxable income of the entities in the Group, and minimum corporate income tax (MCIT) from 2% to 1%, starting July 1, 2020.

Philippine Accounting Standards (PAS) 12, Income Taxes, requires current and deferred taxes to be measured with reference to the tax rates and laws, as enacted or substantively enacted by the end of the reporting period. Meanwhile, PAS 10, Events after the End of the Reporting Period, identifies the enactment or announcement of a change in tax rates and laws after the end of the reporting period as an example of a non-adjusting event.

As at December 31, 2020, the CREATE Act is not considered substantively enacted for financial reporting purposes. The signing into law of the CREATE Act on March 26, 2021 is a non-adjusting subsequent event. For financial reporting purposes, the corporate income tax of the domestic entities in the Group were measured using the applicable statutory income tax rates of 30% RCIT and 2% MCIT in 2020. For the year ended December 31, 2021, the domestic entities within the Group applied the RCIT rate of 20% to 25% and MCIT rate of 1% due to full implementation of the CREATE Act.

Deferred income tax liabilities as at December 31 consist of the tax effects of the following:

	2021		2020	
	Tax base	Tax effect	Tax base	Tax effect
Unrealized fair value gain on investment properties	19,975,889,982	4,993,972,496	11,230,569,281	3,369,170,784
Unrealized foreign exchange gain of Parent Company	3,368,300	842,075	-	-
Remeasurement reserve on retirement benefit obligation	679,203	169,801	922,947	276,883
Capitalized lease	-	-	1,938,151	581,445
		4,994,984,372		3,370,029,112

Deferred income tax liability relating to unrealized foreign exchange gain is expected to be settled within 12 months after reporting date, while all other deferred income tax liabilities are expected to be settled beyond 12 months after reporting dates.

The movements in the deferred income tax liabilities, net for the year ended December 31 are as follows:

	2021	2020
January 1	3,370,029,112	3,020,701,435
Charged to profit or loss	1,625,160,787	349,815,198
Charged (Credited) to other comprehensive income	(107,083)	3,436
MCIT incurred	(98,444)	(490,957)
December 31	4,994,984,372	3,370,029,112

Deferred income tax assets are recognized to the extent that the realization of the related tax benefits through future taxable profits is probable.

Details of deferred income tax assets of the Group that were not recognized as at December 31 since management believes that these may not be recovered in the immediately succeeding years given the ongoing development activities:

	2021		2020	
	Tax base	Tax effect	Tax base	Tax effect
Net operating loss carry-over (NOLCO)	619,689,747	154,915,131	575,597,821	172,679,347
Accrued real property taxes	26,683,320	6,670,830	26,683,320	8,004,996
Unrealized foreign exchange loss of a subsidiary	8,024,333	2,006,083	-	-
Retirement benefit obligation recognized in profit or loss	4,638,669	1,159,667	4,638,669	1,391,601
Accrued interest, penalties and related charges	3,293,860	823,465	3,293,860	988,158
MCIT	-	1,283,782	-	1,185,338
Unrealized foreign exchange loss	-	-	22,021,828	6,606,548
Others	5,722,162	1,430,541	5,722,162	1,430,541
	668,052,091	168,289,499	637,957,660	192,286,529

Details of NOLCO as at December 31, which could be carried over as deduction from taxable income following the year of incurrence, are as follows:

Year incurred	Valid until	2021		2020	
		Tax base	Tax effect	Tax base	Tax effect
2021	2026	44,132,410	11,030,603	-	-
2020	2025	159,846,916	39,959,204	159,846,916	47,954,075
2019	2022	415,710,421	103,925,324	415,710,421	124,713,127
2018	2021	40,484	8,097	40,484	12,145
2017	2020	-	-	40,484	12,145
		619,730,231	154,923,228	575,638,305	172,691,492
Expired		(40,484)	(8,097)	(40,484)	(12,145)
Unrecognized deferred income tax assets		619,689,747	154,915,131	575,597,821	172,679,347

The National Internal Revenue Code (NIRC) of 1997 provided for the introduction of NOLCO privilege, which can be carried over for the three (3) succeeding taxable periods immediately following the period of such loss.

On September 11, 2020, Republic Act (R.A.) No. 11494, otherwise known as “Bayanihan to Recover as One Act”, was passed into law to strengthen the government’s efforts in mitigating the effects of COVID-19 pandemic. Under R.A. No. 11494, NOLCO incurred for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Parent Company is liable to pay MCIT as defined in the tax regulations. The details of the Parent Company’s excess MCIT over normal income tax, which can be claimed as deduction against future corporate income tax due following the year of incurrence, are as follows:

Year	Valid until	2021	2020
2021	2024	98,444	-
2020	2023	490,957	490,957
2019	2022	694,381	694,381
2017	2020	-	1,113,528
		1,283,782	2,298,866
Expired		-	(1,113,528)
Unrecognized deferred income tax assets		1,283,782	1,185,338

In compliance with the NIRC of 1997, the Parent Company pays the MCIT or the RCIT, whichever is higher. Except for the period from July 1, 2020 until June 30, 2023, the MCIT is equivalent to 2.0% of gross taxable income for the taxable year. For the period from July 1, 2020 to December 31, 2020, the MCIT rate for tax purposes is 1.5% while the MCIT rate for 2021 is 1.0%. Any excess of the MCIT over the normal income tax is carried forward annually and credited against the normal income tax for the three (3) succeeding taxable years.

Income tax expense in the consolidated statements of total comprehensive income for the years ended December 31 pertain to deferred income tax.

Reconciliations of the income tax expense computed at the statutory tax rates to effective income tax expense as shown in the consolidated statements of total comprehensive income for the years ended December 31 are as follows:

	2021	2020	2019
Income tax expense computed at statutory tax rates	2,168,266,814	244,481,352	1,342,925,070
Adjust for tax effects resulting from:			
Change in unrecognized deferred income tax assets	15,628,734	106,557,717	78,197,617
Non-deductible expenses	2,933,073	3,079,969	2,153,582
Expired MCIT	-	1,113,528	1,008,115
Deductible costs of share issuance	-	(5,093,622)	(87,772,312)
Interest income subjected to final tax	(42,464)	(323,746)	(52,367)
Impact of change in tax rate on deferred income tax liability	(561,625,370)	-	-
Effective income tax expense	1,625,160,787	349,815,198	1,336,459,705

Note 19 - Contingencies

The Group has contingent liabilities with respect to claims, lawsuits and taxes which are pending decision by the courts or being contested, the outcome of which are not presently determinable. The detailed information about these claims, lawsuits and taxes has not been disclosed as it might prejudice the ongoing claims and litigations. Management is of the opinion that an adverse judgment in any one case will not materially affect its financial position and financial performance. Management believes that liability arising is not probable, thus, no provisions were made in 2021 and 2020.

The Group also has unrecognized contingent assets pertaining to Binangonan properties (Note 7). Such assets will be recognized when they are cleared and/or under the legal and economic possession of the Group.

Note 20 - Related party transactions and balances

In the normal course of business, the Group transacts with entities which are considered related parties. The significant related party transactions and balances as at and for the years ended December 31 are as follows:

	Transactions	Outstanding receivable (payable)	Terms and conditions
2021			
Ultimate parent			
Subscription receivable	(351,195,498)	2,053,207,577	Please refer to Note 14.
Key management personnel			
Salaries, wages and short-term benefits	3,646,326	-	Unsecured, non-interest bearing, with no guarantee and is payable every payroll period.
Retirement benefits	(753,057)	(1,991,406)	Please refer to Note 21.

	Transactions	Outstanding receivable (payable)	Terms and conditions
2020			
Ultimate parent			
Subscription receivable	-	2,404,403,075	Please refer to Note 14.
Key management personnel			
Salaries, wages and short-term benefits	3,526,235	-	Unsecured, non-interest bearing, with no guarantee and is payable every payroll period.
Retirement benefits	574,258	(2,744,463)	Please refer to Note 21.

Note 21 - Retirement benefits

The latest actuarial valuation of the retirement benefits was sought from an independent actuary as at December 31, 2021. As at December 31, 2021, the Group has 25 (2020 - 23) regular employees covered under the requirements of RA No. 7641, also known as the Retirement Pay Law.

The Group provides for a defined benefit plan which covers the retirement, death, and disability benefits of all its qualified employees in accordance with the provisions of RA No. 7641. Under the plan, the normal retirement age is 60 with at least five (5) years of credited service and the normal retirement benefit is equal to one-half (1/2) of monthly salary for every year of credited service. The plan is unfunded as at December 31, 2021 and 2020.

The defined benefit obligation is determined using the projected unit credit (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined using the amount necessary to provide for the portion of the retirement benefit accruing during the year.

Details of the Group's retirement benefit accounts as at and for the years ended December 31 are as follows:

	2021	2020
Consolidated Statements of Financial Position		
Retirement benefit obligation	3,760,290	3,594,474
Remeasurement reserve	(509,402)	(646,063)
Consolidated Statements of Total Comprehensive Income		
Retirement benefit expense in profit or loss	774,445	958,753
Remeasurement loss (gain), net of tax, in other comprehensive loss (income)	136,661	(8,016)

Changes in the present value of the defined benefit obligation as at December 31 are as follows:

	2021	2020
January 1	3,594,474	3,727,173
Current service cost	628,869	752,268
Interest cost	145,576	206,485
Benefits paid	(852,373)	(1,080,000)
Remeasurement loss (gain) from:		
Changes in financial assumptions	(475,637)	467,419
Experience adjustments	719,381	(478,871)
December 31	3,760,290	3,594,474

The components of the retirement benefit expense for the years ended December 31 are as follows:

	2021	2020	2019
Current service cost	628,869	752,268	615,314
Interest cost	145,576	206,485	205,541
	774,445	958,753	820,855

Changes in remeasurement reserve as at December 31 are as follows:

	2021	2020	2019
January 1	(646,063)	(638,047)	(803,918)
Remeasurement loss (gain)	243,744	(11,452)	236,959
Deferred income tax	(107,083)	3,436	(71,088)
Remeasurement loss (gain) during the year, net of tax	136,661	(8,016)	165,871
December 31	(509,402)	(646,063)	(638,047)

The sensitivities of the defined benefit obligation as at December 31 to changes in the principal assumptions are as follows:

	Impact on retirement benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
<i>2021</i>			
Discount rate	1.00%	(328,078)	410,465
Salary increase rate	1.00%	406,872	(331,375)
<i>2020</i>			
Discount rate	1.00%	(331,062)	318,084
Salary increase rate	1.00%	420,197	(385,953)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement benefit obligation recognized within the consolidated statements of financial position.

The expected maturity analysis of undiscounted benefit payments as at December 31 are as follows:

	2021	2020
Within one (1) year	1,612,261	1,612,261
More than one (1) year but less than five (5) years	157,909	-
More than five (5) years but less than 10 years	1,991,948	2,241,579
	3,762,118	3,853,840

The principal actuarial assumptions used for the years ended December 31 are as follows:

	2021	2020
Discount rate	5.17%	4.05%
Expected rate of salary increase	5.00%	5.00%

Note 22 - Agrarian Reform Law and land use

Under the Agrarian Reform Law currently in effect in the Philippines and the regulations issued thereunder by the Department of Agrarian Reform (DAR), land classified for agricultural purposes as at or after June 15, 1988 cannot be converted to non-agricultural use without the prior approval of DAR. The Group obtained from concerned government agencies Exemption/Exclusion Orders over several parcels of land in Binangonan, Rizal.

Land use may be also limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome. The Group's management considers it impracticable to disclose with sufficient reliability the possible financial impact surrounding the above provisions.

Note 23 - Segment information

The Group has two segments: (1) real estate, which pertains to the Parent Company and Interport Development Corporation (IDC) and focuses on the development and sale of real properties; and (2) subway, which pertains to MCSI and JRIC and focuses on the Subway System Project. Significant information on the reportable segments are as follows:

	Real estate	Subway	Total
2021			
Operating assets	36,630,566,294	134,254,335,855	170,884,902,149
Operating liabilities	15,582,479,056	2,500,959,399	18,083,438,455
Revenues from external customers	19,780,500	-	19,780,500
Unrealized fair value gain on investment properties	663,209,583	8,082,111,118	8,745,320,701
Total income	686,546,278	8,083,420,921	8,769,967,199
Total expenses	62,075,792	34,834,154	96,909,946
Income tax (benefit) expense	(395,366,993)	2,020,527,780	1,625,160,787
Segment net income	1,019,837,479	6,028,058,987	7,047,896,466
2020			
Operating assets	35,733,312,997	125,808,271,315	161,541,584,312
Operating liabilities	16,056,122,075	433,498,903	16,489,620,978
Revenues from external customers	40,395,500	-	40,395,500
Unrealized fair value gain on investment properties	957,647,924	-	957,647,924
Total income	998,800,948	1,035,332	999,836,280
Total expenses	157,436,004	28,825,242	186,261,246
Income tax expense	349,815,198	-	349,815,198
Segment net income	491,549,746	(27,789,910)	463,759,836
2019			
Operating assets	35,494,733,620	125,460,530,929	160,955,264,549
Operating liabilities	16,295,836,030	116,269,522	16,412,105,552
Revenues from external customers	77,315,179	-	77,315,179
Unrealized fair value gain on investment properties	4,650,192,348	-	4,650,192,348
Total income	4,729,448,206	378,595	4,729,826,801
Total expenses	131,389,794	122,490,416	253,880,210
Income tax expense	1,336,459,705	-	1,336,459,705
Segment net income	3,261,598,707	(122,111,821)	3,139,486,886

All revenues are from domestic entities incorporated in the Philippines; hence, the Group did not present geographical information required by PFRS 8, Operating Segments.

There were no revenues derived from a single external customer above 10% of total revenues in 2021, 2020 and 2019.

The reconciliation of segment information to the balances in the consolidated financial statements as at and for the years ended December 31 are as follows:

	Total segment information	Eliminating and reclassification entries	Consolidated amounts
2021			
Operating assets	170,884,902,149	(11,312,186,261)	159,572,715,888
Operating liabilities	18,083,438,455	(531,510,174)	17,551,928,281
Revenues from external customers	19,780,500	-	19,780,500
Unrealized fair value gain on investment properties	8,745,320,701	-	8,745,320,701
Total income	8,769,967,199	(3,368,300)	8,766,598,899
Total expenses	96,909,946	(3,368,300)	93,541,646
Income tax expense	1,625,160,787	-	1,625,160,787
Segment net income	7,047,896,466	-	7,047,896,466
2020			
Operating assets	161,541,584,312	(11,356,819,808)	150,184,764,504
Operating liabilities	16,489,620,978	(927,369,219)	15,562,251,759
Revenues from external customers	40,395,500	-	40,395,500
Unrealized fair value gain on investment properties	957,647,924	-	957,647,924
Total income	999,836,280	-	999,836,280
Total expenses	186,261,246	-	186,261,246
Income tax expense	349,815,198	-	349,815,198
Segment net income	463,759,836	-	463,759,836
2019			
Operating assets	160,955,264,549	(10,764,676,158)	150,190,588,391
Operating liabilities	16,412,105,552	(397,456,564)	16,014,648,988
Revenues from external customers	77,315,179	-	77,315,179
Unrealized fair value gain on investment properties	4,650,192,348	-	4,650,192,348
Total income	4,729,826,801	-	4,729,826,801
Total expenses	253,880,210	-	253,880,210
Income tax expense	1,336,459,705	-	1,336,459,705
Segment net income	3,139,486,886	-	3,139,486,886

Note 24 - Financial risk and capital management

24.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Management, under the direction of the BOD is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group's financial performance mainly due to the unpredictability of the real estate industry.

(a) Market risk

(i) Currency risk

The Group's exposure on currency risk pertains to foreign currency denominated cash in banks, and borrowing and related interest payable at reporting dates. Unrealized foreign exchange loss amounted to P4.66 million in 2021 (2020 - P26.80 million; 2019 - P42.80 million).

As at December 31, 2021, the Group's foreign currency denominated accounts pertain to cash in banks amounting to US\$6.37 million (2020 - US\$2.70 million) and CNY1.46 million (2020 - CNY39.06 million), and borrowings and related interest payable amounting to CNY31.08 million (2020 - CNY30.61 million).

The exchange rates used for the year ended December 31, 2021 were P50.77 per US\$1 (2020 - P48.04 per US\$1) and P7.87 per CNY1 (2020 - P7.35 per CNY1).

Changes in foreign currency exchange rates of these accounts are not expected to have a significant impact on the financial position or results of operations of the Group.

The following table demonstrates the sensitivity of the Group's income before income tax for the years ended December 31 to reasonably possible changes, based on prior year percentage changes, in exchange rates of foreign currencies which pose significant exposure to the Company, with all other variables held constant:

Foreign currency	2021		2020	
	Change in currency	Effect on income before tax	Change in currency	Effect on income before tax
Chinese Yuan	+/-6%	(187,982)	+/-5%	(345,859)
United States Dollar	+/-7%	1,088,424	+/-1%	(280,053)

(ii) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's borrowings (Note 13) and lease liabilities (Note 17). These financial instruments are not exposed to fair value interest rate risk as these are carried at amortized cost. Likewise, these instruments are not significantly exposed to variability in cash flows as these carry fixed interest rates.

(iii) Price risk

Quoted financial assets at fair value through other comprehensive income are acquired at certain prices in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers, or factors affecting all instrument traded in the market. Depending on several factors such as interest rate movements, the country's economic performance, political stability and inflation rates, these prices change, reflecting how market participants view the developments. Price risk is insignificant to the Group since investment in securities is not material.

(b) Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge its obligations. The Group's maximum exposure from financial assets that are subject to credit risk as at December 31 are as follows:

	Notes	2021	2020
Cash in banks	2	363,119,918	486,349,182
Receivables, gross*	3	115,469,513	95,063,931
Funds held by custodian bank	4	17,604,114	17,578,914
Refundable deposits	10	1,691,862	2,176,549
		497,885,407	601,168,576

*Exclude advances to officers and employees

The table below shows the credit quality of the Group's financial assets subject to credit risk as at December 31:

	Simplified approach		General approach		Total
	Stage 1 - Performing	Stage 1 - Performing	Stage 2 - Underperforming	Stage 3 - Non-performing	
<i>2021</i>					
Cash in banks	-	363,119,918	-	-	363,119,918
Receivables, gross*	32,216,540	1,496,668	76,019,072	5,737,233	115,469,513
Funds held by custodian bank	-	17,604,114	-	-	17,604,114
Refundable deposits	-	1,691,862	-	-	1,691,862
	32,216,540	383,912,562	76,019,072	5,737,233	497,885,407
<i>2020</i>					
Cash in banks	-	486,349,182	-	-	486,349,182
Receivables, gross*	35,596,435	417,888	57,049,608	2,000,000	95,063,931
Funds held by custodian bank	-	17,578,914	-	-	17,578,914
Refundable deposits	-	2,176,549	-	-	2,176,549
	35,596,435	506,522,533	57,049,608	2,000,000	601,168,576

*Exclude advances to officers and employees

(i) Cash in banks and funds held by custodian bank

The Group manages credit risk on its cash in banks by depositing in banks that passed the criteria of the Group. Some of these criteria are stability, financial performance, industry-accepted ratings, quality, diversity and responsiveness of products and services.

As at December 31, the Group's cash and funds held by custodian that are maintained with universal, thrift and commercial banks are as follows:

	2021	2020
Cash in banks		
Universal banks	362,410,665	467,488,900
Commercial bank	631,648	18,782,677
Thrift bank	77,605	77,605
	363,119,918	486,349,182
Funds held by custodian bank		
Universal bank	17,604,114	17,578,914
	380,724,032	503,928,096

The remaining cash in the consolidated statements of financial position pertains to cash on hand which is not exposed to credit risk.

(ii) Receivables

In respect of receivables from sale of real estate held for sale and development, credit risk is managed primarily through credit reviews and analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures.

Other receivables consist mainly of advances to third party subcontractors. The Group limits its exposure to credit risk by transacting only with counterparties that have appropriate and acceptable credit history.

Simplified approach

Exposure to impairment losses on receivables from sale of real estate held for sale and development is not significant as the real estate property titles are not transferred to the buyers until significant payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

The Group is under a financing scheme where significant portion of the sales price is paid by Home Development Mutual Fund (HDMF) to the Group. The installment portion shouldered by the buyer from the sales are non-interest bearing and are generally within a credit term of 180 days from reservation prior to collection from HDMF. The Group no longer has a continuing involvement on the real properties once the Group receives the proceeds from HDMF, aside from finalizing the transfer of real estate property title to the buyers.

General approach

Receivables under Stage 1 pertain to other receivables, while Stage 2 and 3 pertain to receivables from subcontractors. Stage 2 accounts are aged beyond one (1) year as at December 31, 2021 and 2020. Credit risk is considered low as the counterparties, which have ongoing projects for the Group, possess sufficient financial capacity to meet their obligations as at December 31, 2021 and 2020. Stage 3 accounts pertain to contractors with no ongoing projects for the Group as at December 31, 2021 and 2020. Additional impairment losses from long outstanding receivables were recognized amounting to P3.74 million in 2021 (2020 and 2019 - nil) (Note 3).

(iii) Refundable deposits

Refundable deposits are considered highly recoverable as the counterparty is assessed to have strong capacity to meet its obligation to return the funds upon expiration of the arrangement. Based on impairment assessment, there is no expected credit loss for refundable deposits as at December 31, 2021 and 2020.

(c) *Liquidity risk*

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when these fall due. The consequence may be the failure to meet obligations to repay creditors and fulfill contractual commitments.

All financial assets and liabilities are current as at reporting dates, except for the non-current portion of refundable deposits (Note 10), borrowings (Note 13) and lease liabilities (Note 17).

To manage liquidity, funding of maturing obligation will come either from future sale of developed properties, additional investments by shareholders and/or financing from banks or similar institutions. The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several banks is also available to ensure availability of funds when necessary.

Under the PPP JV Agreement (Notes 1 and 7), the Parent Company, being the lead private proponent, shall have the obligation to finance the Subway System Project through equity investments and/or loan, financial lease, bond or other analogous form of financing from banks or other institutions with financial capacity which is acceptable to the Makati City Government. The obligation of the Parent Company to finance the Subway System Project shall be in the minimum amount of US\$3.5 billion or such amount that is actually needed to completely finance the Subway System Project, whichever is lower.

To mitigate liquidity risks, the Group considers the following:

- It has access to undrawn financing and credit facilities from overseas financial institutions, which is included in the Group's liquidity management;
- It is able to maintain an adequate time spread of refinancing maturities;
- It has active communication with potential investors; and
- It has the ability to convert long-term financial assets into cash.

The contractual undiscounted cash flows from the remaining contractual maturity for the Group's non-derivative financial liabilities as at December 31 are as follows:

	Notes	Within one year	More than one year	Total
2021				
Accounts payable and other liabilities*	11	97,838,152	-	97,838,152
Liability for refund of stock rights subscription	4	17,604,114	-	17,604,114
Lease liabilities**		4,890,752	2,049,633	6,940,385
Borrowings	13	222,152,229	-	222,152,229
		342,485,247	2,049,633	344,534,880
2020				
Accounts payable and other liabilities *	11	60,653,338	94,687	60,748,025
Liability for refund of stock rights subscription	4	17,578,914	-	17,578,914
Lease liabilities**		4,099,267	-	4,099,267
Borrowings	13	79,469,000	144,810,410	224,279,410
		161,800,519	144,905,097	306,705,616

*Excluding customers' deposits, lease liabilities, payable to government agencies and accrued real property taxes

**Based on gross minimum lease payments

The Group expects to settle its financial obligations in accordance with their maturity dates. Management generates sufficient cash from its operations and has enough financial assets to meet its maturing financial obligations.

24.2 Capital management

The Group's main objective is to ensure it has adequate capital moving forward to pursue its major land development, housing projects and other infrastructure projects.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide future returns to its shareholders and to maintain an optimal capital structure to reduce its cost of capital. For this purpose, capital is represented by total equity as shown in the consolidated statements of financial position, excluding fair value reserve on equity investments, remeasurement reserve on retirement benefit obligation and other reserve.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital in proportion to risk. The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Group has fully complied with this requirement.

There were no changes in the Group's capital management strategy and policies in 2021 and 2020.

24.3 Fair value of financial instruments

The Group follows the fair value measurement hierarchy to disclose the fair values of its financial assets and liabilities. As at December 31, 2021 and 2020, the Group's investments in equity securities are classified under Level 1 and Level 2 categories and no financial instruments classified under Level 3 category. The carrying values of the Group's current financial instruments as at reporting dates approximate their fair values due to their short-term nature. Non-current borrowings and lease liabilities are discounted using the effective interest method which approximates fair value, while the impact of discounting on non-current refundable deposits is immaterial.

Note 25 - 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, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition seldom equal the related actual results. The estimates and assumptions applied by the Group may cause adjustment to the carrying amounts of assets and liabilities within the next financial year.

25.1 Critical accounting estimates and assumptions

(a) Estimating initial cost of Makati property and fair value of investment properties (Note 7)

As at December 31, 2021, the Group's investment properties have estimated fair values ranging from P1,971 (2020 - P1,891) per square meter for the Binangonan property and P0.07 million to P1.05 million (2020 - P0.03 million to P0.16 million) per square meter for the Makati property.

The fair values are based on the following significant assumptions used by the independent appraiser:

- current prices in an active market for properties of similar nature, condition or location, adjusted to reflect possible differences; and
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

The fair value of the Binangonan property was determined using the income approach as at December 31, 2021 and 2020 following the completion of the Binangonan property master plan, while the fair value of the Makati property was determined using the market approach as at December 31, 2021 and 2020.

The income approach is considered in valuing assets, land, or properties by reference to their development potential. The value is the residue of the gross development value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit. Meanwhile, the sales comparison was a comparative approach that considered the sales of similar or substitute properties and related market data, which may also consider current listings and offerings. The valuation of the investment properties was categorized as Level 3 measurement as it utilized adjusted inputs for valuation that were, for the major part, unobservable as at the date of valuation.

The sales comparison/market approach considered the sales of similar or substitute properties and related market data, which may also consider current listings and offerings. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the vicinity of the subject property.

The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of investment properties as at December 31:

	Fair value as at December 31	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
2021				
Binangonan property	24,170,308,801	Discount rate	13.5%	The higher the input, the lower the fair value.
		Price growth rate	5%	The higher the input, the higher the fair value.
		Expected annual cashflows	P918.00 million to P15.60 billion	The higher the input, the higher the fair value.
Makati property	15,538,211,200	Physical adjustments	-70% to 60%	The higher the input (including, but not limited to location, size and terrain), the higher the fair value.
2020				
Binangonan property	23,180,981,465	Discount rate	13%	The higher the input, the lower the fair value.
		Price growth rate	5%	The higher the input, the higher the fair value.
		Expected annual cashflows	P3.49 billion to P10.63 billion	The higher the input, the higher the fair value.
Makati property	7,305,007,576	Physical adjustments	-65% to -5%	The higher the input (including, but not limited to location, size and terrain), the higher the fair value.

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

In 2021, management engaged an appraiser to reassess the values of the Binangonan and Makati properties. However, management did not recognize all the fair value adjustments as they believe that the fair values as at December 31, 2020 for a significant portion of the properties have not significantly changed from their fair values as at December 31, 2019 since there were no significant changes in market conditions that significantly affect the current fair values of investment properties as at December 31, 2020. The costs of the Makati properties acquired in 2020 are deemed approximate to their fair values as at December 31, 2020.

Unrealized fair value gain on investment properties represents significant amounts both in value of property and income. Any +/- 1% change in fair value per square meter increases/decreases total assets and income before tax by P397.09 million in 2021 (2020 - P304.86 million).

(b) Provision for clearing costs (Notes 7 and 12)

As discussed in Note 7, the Supreme Court affirmed the validity of the Parent Company's titles over its 2,200 hectares of Binangonan property. However, due to a number of factors, including the Supreme Court's recognition of the superior rights of the bona fide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at December 31, 2021 and 2020. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group's interaction with current occupants.

The estimate is based on the assumption that clearing activities will be carried out by the Group. Refer to Note 12 for the discussion on key assumption used.

Management believes that the current provision is the best estimate based on existing conditions and circumstances as at December 31, 2021 and 2020. With this, it is reasonably possible, based on existing knowledge, that the outcomes within the next financial year may be different from estimates and could require a material adjustment to the carrying amount of the provision for clearing costs.

(c) Impairment of financial assets at amortized cost (Note 24)

The Group applies the ECL model associated with its financial assets at amortized cost. The loss allowance for these assets is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the impairment assessment are disclosed in Note 24.1(b).

(d) Determining NRV of real estate held for sale and development (Note 5)

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' estimated selling price in the ordinary course of business, costs of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories, management considers whether inventories are damaged or if their selling prices have declined.

Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

As at December 31, 2021 and 2020, allowance for NRV amounted to P0.45 million. If selling price per unit increased/decreased by 10%, no additional loss would be recorded as the cost of remaining real estate inventories would still be lower than their NRV.

(e) Estimating incremental borrowing rate on leases (Note 17)

Payments for leases residential units are discounted using the lessee'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. To determine the incremental borrowing rate, the Group uses government bond yield as a starting point, adjusted to reflect changes in financing conditions if third-party financing was received. The discount rate applied by the Group is 7.38% in 2021 and 2020. Sensitivity analyses showed that changes in discount rate would not have significant impact on the consolidated financial statements.

25.2 Critical accounting judgments

(a) Collectability of the sales price (Note 24)

The Group considers the loan approval of HDMF as support for the collectability of the sales price of land and real estate properties. Management believes that it is probable to collect the consideration from buyers for revenues recorded for the years ended December 31, 2021 and 2020.

(b) Joint arrangements (Notes 5, 7 and 9)

Management enters into joint arrangements for the development of its properties and other infrastructure projects.

(i) Housing projects in Binangonan, Rizal

As provided in the contractual agreements, the Group's contribution on the joint arrangements is limited only to the value of the land and other necessary assets, and any obligations related to the development are on the account of the counterparty in the joint operations. The joint arrangement is not structured through a separate vehicle and the Group has direct access to the arrangements' assets and obligations. As such, the arrangement is classified as joint operations.

Total land contributed to joint operations as at December 31, 2021 and 2020 is recorded as part of real estate held for sale and development in the consolidated statements of financial position.

(ii) Makati City Subway System Project

As provided in the PPP JV Agreement with the Makati City Government, the Group is obligated for the construction, operation and management of the Subway System and the topside development over the land as specified in the agreement. The joint arrangement is structured through a separate vehicle, MCSI which is a wholly-owned subsidiary of the Parent Company. As such, the arrangement is classified as joint operations.

Land properties contributed to joint operations are recorded as part of investment properties and the contractual rights granted under the PPP JV Agreement as intangible assets in the consolidated statements of financial position.

(d) *Income taxes (Note 18)*

Significant judgment is required in determining income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. In preparing the consolidated financial statements, management has made a conclusion that it is probable that the tax authority will accept its tax treatments and therefore, no provision for a differing tax treatment has been set-up.

The Group recognizes liabilities for anticipated tax audit issues based on estimates 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 current and deferred income tax provisions in the period in which such determination is made.

Management also reviews at each reporting date the carrying amounts of deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the related tax assets can be utilized.

Management believes that the non-recognition of deferred income tax assets as disclosed in Note 18 is appropriate due to the Group's limited capacity to generate sufficient taxable income in the immediately succeeding three (3) to five (5) years given current development activities.

(e) *Contingencies (Note 19)*

The Group is currently involved in a disputed claim. Management currently believes, in consultation with its legal counsels, that the ultimate outcome of the proceeding will not have a material effect on the Group's consolidated financial statements. It is possible, however, that future results of operations could materially be affected by changes in the estimate in the final outcome of the proceeding.

Note 26 - Summary of significant accounting policies

The principal accounting policies adopted 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.

26.1 Basis of preparation

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

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments in equity securities and investment properties.

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 25.

Changes in accounting policies and disclosures

(a) New standards, and amendments and interpretations to existing standards effective January 1, 2021

The following amendments to existing standards were relevant and adopted by the Group for the first time from January 1, 2021:

- COVID-19-related Rent Concessions - Amendments to PFRS 16 (effective April 1, 2021)

COVID-19-related rent concessions have been granted to lessees might take a variety of forms, including payment holidays and deferral of lease payments. The amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications.

The relief was originally effective on June 1, 2020 and limited to reduction in lease payments that were due on or before June 30, 2021. The amendments were subsequently extended effective April 1, 2021 to payments that are due to on or before June 30, 2022. The Group had no transactions which were affected by these amendments.

There are no new standards, and other amendments and interpretations to existing standards which are effective on January 1, 2021 that were adopted by the Group as they are not relevant to the latter's financial reporting.

(b) New standards, and amendments and interpretations to existing standards issued but not yet effective as at December 31, 2021

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2021 reporting periods and have not been early adopted by the Group. None of these are expected to be relevant and have an effect on the financial reporting of the Group, while the most relevant ones are set out as follows:

- Annual Improvements to International Financial Reporting Standards/PFRS 2018-2020 (effective January 1, 2022)

The following improvements were finalized in May 2020:

- PFRS 9, Financial Instruments: clarification of which fees should be included in the 10% test for derecognition of financial liabilities.
- PFRS 16, Leases: amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

The improvements are not expected to significantly affect the Group's accounting policies.

- Proceeds before intended use - Amendments to PAS 16, Property, Plant and Equipment (effective January 1, 2022)

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is “testing whether the asset is functioning properly” when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of an entity’s ordinary activities. The amendments are not expected to significantly affect the Group’s accounting policies.

- Onerous Contracts - Cost of Fulfilling a Contract Amendments to PAS 37, Provisions, Contingent Liabilities and Contingent Assets (effective January 1, 2022)

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognizing a separate provision for an onerous contract, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract. The amendments are not expected to significantly affect the Group’s accounting policies.

- Classification of Liabilities as Current or Non-current - Amendments to PAS 1 (effective January 1, 2023)

The narrow-scope amendments to PAS 1, Presentation of Financial Statements, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of an entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the “settlement” of a liability. The amendments are not expected to significantly affect the Group’s classification of liabilities.

- Disclosure of Accounting Policies - Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgements (effective January 1, 2023)

PAS 1 is amended to 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. The amendments further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, PFRS Practice Statement 2 was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are not expected to significantly affect the Group’s accounting policies.

- Definition of Accounting Estimates - Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (effective January 1, 2023)

The amendments clarify how companies should distinguish change in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments are not expected to significantly affect the Group’s accounting policies.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to PAS 12, Income Taxes (effective January 1, 2023)

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

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

The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate. The amendments are not expected to significantly affect the Group's accounting policies.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and wholly-owned subsidiaries, MCSI, JRIC and IDC as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021.

Details for the date and place of incorporation of the subsidiaries are as follows:

Subsidiary	Date of incorporation	Place of incorporation	Principal activities
Interport Development Corporation	December 21, 1993	Philippines	(a)
Makati City Subway, Inc.	March 4, 2019	Philippines	(b)
Jiangsu Rizal Infradev Co., Ltd.	July 12, 2019	People's Republic of China	(c)

The subsidiaries of the Parent Company have the following principal activities:

- Primarily for the acquisition and selling of real estate of all kinds or hold such properties for investment purposes.
- Primarily engaged in the development, construction, operation, repair, maintenance, management and other allied business involving infrastructure and/or public utility projects, such as railways, railroads, subway systems and other transport systems, airports, toll ways, piers and other public works.
- Primarily to function as a corporate vehicle in the procurement of materials and equipment related to the Makati City Subway System Project.

The Group uses uniform accounting policies, any difference between the Parent Company and the subsidiaries are adjusted properly.

All the subsidiaries' undertakings are included in the consolidation. The proportion of the voting rights in the subsidiaries' undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

The summarized financial information of the subsidiaries as at and for the years ended December 31 are as follows:

	MCSI	JRIC	IDC
<i>2021</i>			
Total current assets	399,930,156	215,561,700	49,507,147
Total non-current assets	133,638,843,999	-	-
Total current liabilities	232,629,665	247,801,954	2,069,921
Total non-current liabilities	2,020,527,780	-	-
Net assets (liabilities)	131,785,616,710	(32,240,254)	47,437,226
Net income (loss)	6,048,426,583	(20,367,596)	(50,000)
Total comprehensive income (loss)	6,048,426,583	(21,048,037)	(50,000)
<i>2020</i>			
Total current assets	353,937,466	216,976,504	49,507,147
Total non-current assets	125,237,357,345	-	-
Total current liabilities	205,330,182	84,074,794	2,019,921
Total non-current liabilities	-	144,093,927	-
Net assets (liabilities)	125,385,964,629	(11,192,217)	47,487,226
Net loss	(19,613,052)	(8,176,858)	(50,500)
Total comprehensive loss	-	(8,392,630)	(50,500)

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

	2021	2020
Receivable from subsidiaries	670,025	390,168
Investment in subsidiaries	11,046,430,000	11,108,660,986
Subscriptions payable to subsidiaries	265,753,922	679,210,406
Payable to subsidiaries	50,075,541	49,490,516
Advances between subsidiaries	215,010,697	198,278,137

(a) Subsidiaries

Subsidiaries are all entities (including structured 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 an entity and has the ability to affect those returns through its power over an entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial reporting and operating policies by virtue of de facto control. De facto control may arise in circumstances where the size Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Intercompany transactions, balances and unrealized gains on transactions between companies in the Group are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in an entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount 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. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

26.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity. The Group recognizes a financial instrument in the consolidated statements of financial position, when and only when, the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on an entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes. As at December 31, 2021 and 2020, the Group holds financial assets at FVOCI and at amortized cost.

The financial assets at amortized cost of the Group comprise: cash in banks (Note 26.3), receivables, excluding advances to officers and employees (Note 26.4), funds held by custodian bank (Note 26.3), and refundable deposits (Note 26.5) under other assets while financial assets at FVOCI pertain to investments in equity securities under other assets in the consolidated statement of financial position. These are included in current assets, except for maturities greater than 12 months after the reporting date, which are then classified as non-current assets.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. 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.

On the disposal of equity instruments classified as FVOCI, any related balance within the FVOCI reserve is reclassified to retained earnings.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three (3) measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** 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 included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in income/(expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of total comprehensive income.

- FVOCI: 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 other comprehensive income, 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 other comprehensive income is reclassified from equity to profit or loss and recognized in 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 income/(expenses) and impairment losses are presented as separate line item in the consolidated statement of total comprehensive income.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

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 other comprehensive income, 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 statement 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.

(iv) Impairment

The Group assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the PFRS 9 simplified approach to measuring ECL for all trade receivables which uses a lifetime expected loss allowance from initial recognition. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the collection profiles over a period of 60 months before the beginning of the reporting dates and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the bank interest rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

For cash in banks, other receivables that are financial assets, funds held by custodian bank and refundable deposits, the general approach is applied. Under this approach, credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognized.

The carrying amount of the receivables is reduced through the use of an allowance account, and the amount of the loss is recognized in expenses in the consolidated statement of total comprehensive income. When a receivable is uncollectible, it is written-off against the allowance account for receivables. Receivables are written-off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than that agreed with Group. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized through profit or loss.

Reversals of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with debtors as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off are recognized in expenses in the consolidated statement of total comprehensive income.

(b) Financial liabilities

(i) Classification

The Group classifies its financial liabilities at initial recognition in the following categories: at FVPL (including financial liabilities held for trading and those designated at fair value) and financial liabilities at amortized cost. The Group only has financial liabilities at amortized cost as at December 31, 2021 and 2020.

The Group's financial liabilities at amortized cost comprise accounts payable and other liabilities, excluding customers' deposits, payable to government agencies and accrued real property taxes (Note 26.13), borrowings (Note 26.14), and liability for refund of stocks rights subscription (Notes 26.19), and lease liabilities (Note 26.22) are classified under this category. These are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as non-current liabilities.

Issued financial instruments or their components, which are not designated at FVPL, are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder.

(ii) Initial recognition and derecognition

Financial liabilities are initially recognized at fair value of the consideration received less directly attributable transaction costs. A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(iii) Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

(c) Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated statement 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 counter party. As at December 31, 2021 and 2020, there are no financial assets and financial liabilities that were offset.

26.3 Cash and funds held by a custodian bank

For purpose of presentation in the consolidated statements of cash flows, cash consists of cash on hand and deposits held at call with banks. Funds that are restricted and designated for particular purpose are shown separately from cash in the consolidated statement of financial position and are classified as current or non-current depending on the expected timing of disbursements. These are stated at face value or nominal amount.

Other relevant accounting policies of cash in banks and funds held by a custodian bank, being financial assets, are discussed in Note 26.2.

26.4 Receivables

Receivables arising from regular sale of real estate held for sale and development made in the ordinary course of business are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment. Receivables are measured at the original invoice amount (as the effect of discounting is immaterial), less any provision for impairment. Other relevant accounting policies are discussed in Note 26.2, except for advances to officers and employees.

Advances to officers and employees are unliquidated cash advances for the Group's expenses. These are initially recognized at nominal amount and derecognized upon liquidation. They are included in current assets, except for expected liquidations greater than 12 months after the reporting date, which are then classified as non-current assets.

26.5 Prepayments and other assets

Prepayments and other assets are recognized in the event that payment has been made in advance of obtaining right of access to receipt of services and measured at the amount of cash paid, which is equal to its nominal amount. Prepayments and other assets are recognized as expense either with the passage of time or through use or consumption.

Prepayments and other assets are carried at cost and are included in current assets, except when the related goods or services are expected to be received and rendered more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

Prepayments in the form of unused tax credits are derecognized when there is a legally enforceable right to offset the recognized amounts against income tax due and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Input VAT are stated at face value less provision for impairment, if any. Any allowance for unrecoverable input, if any, is maintained by the Group at a level considered adequate to provide for potential uncollectible portions of the claims. Management evaluates the level of impairment provision on the basis of factors that affect the collectivity of the claim. The Group, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment losses.

Payments made as security for the leases entered into by the Group and will be returned to the Group at the end of the lease term are recognized as refundable deposits. Other relevant accounting policies for refundable deposits are discussed in Note 26.2.

26.6 Real estate held for sale and development

The account includes land held for development, which refers to land acquired exclusively for development and resale thereafter and real properties held for sale and development through housing projects. Real estate held for sale and development is stated at the lower of cost and NRV. The cost comprises purchase price plus costs directly attributable to the acquisition of the assets including clearing, retitling, site preparation and subsequent development costs. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Borrowing costs associated with on-going development of these properties are capitalized during its construction/development period.

The fair value of the land transferred from investment property to real estate held for sale and development account due to change in use on the property is deemed as cost for subsequent accounting. Transfers from investment property to real estate held for sale and development happen when the Group comes up with a concrete plan to clear the lots and/or when the Group enters into a memorandum of agreement with a third party to perform retitling and related clearing activities.

Upon disposal, the asset accounts are relieved of the pertinent costs of acquisition and improvements, and provision for decline in value (if any) and the related realized profit on sale is recognized in profit or loss.

26.7 Investment properties

Investment property is defined as property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for: (a) use in the production of supply of goods or services or for administrative purposes; or (b) sale in the common course of business.

The Group's investment properties, principally comprising of properties in Binangonan, Rizal and in Makati City, Metro Manila, are held for capital appreciation and is not occupied by the Group. The Group has adopted the fair value model for its investment properties.

After initial recognition, investment property is carried at fair value as determined by an independent firm of appraisers. Fair value is based on income approach, which uses 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. These valuations are reviewed annually by the independent appraiser.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. On a regular basis, an estimate of the recoverable or clearable area over the properties is done by the Group. An increment in the recoverable area is recognized at fair value, with a consequent provision for estimated clearing costs.

Subsequent expenditure (i.e., provision for clearing costs) is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, classified as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Changes in fair values are recognized in profit or loss.

An investment property is derecognized from the consolidated statement of financial position on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Removal of an item within investment property is triggered by a change in use, by sale or disposal. Transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. If an investment property becomes owner-occupied, it is reclassified as property and equipment (Note 26.10), and its fair value at the date of reclassification becomes its cost for accounting purposes. Gain or loss arising from disposal is determined as the difference between the net disposal proceeds and the carrying amount of the asset. Gain or loss on disposal is recognized in profit or loss in the period of the disposal.

Property that is being constructed or developed for future use as investment property is classified as investment property.

26.8 Intangible assets

Intangible assets arise from legally enforceable contractual right and is separable (that is, it is capable of being separated or divided from an entity and sold, transferred, or exchanged, either individually or together with a related contract, asset or liability). They are measured on initial recognition at cost. The costs of intangible assets arising from contractual right are their fair value as at the date of acquisition, determined using discounted cash flows as a result of the asset being owned. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The intangible assets are considered to have finite life.

Intangible assets with finite lives are amortized based on the utilization of the related land using the output method. Output is in reference to the square meters allocable to the intangible assets. The amortization will start upon commencement of the significant construction activities over the transit-oriented development projects/investment properties.

Intangible assets are assessed for impairment whenever there is an indication that an intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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 are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognized in profit or loss when the intangible asset is derecognized.

26.9 Investments in joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Group has entered into joint arrangement agreements with third parties to develop a portion of its land located in Binangonan, Rizal and in Makati City, Metro Manila. Under the terms of the agreements, the Group will contribute lots, construction and development to the joint arrangements. The Group recognizes revenue based on the sales of the pre-determined lots assigned in accordance with the provisions of the agreements.

The Group has assessed the nature of its joint arrangements with third parties and determined these to be joint operations.

The Group classifies the land contributed under real estate held for sale and development (Note 26.6).

The Group has entered into a joint venture agreement with the Makati City Government as joint venture partner to develop a subway system in Makati City. Under the terms of the agreement, the Group will contribute to the construction, operation and management of the Makati City Subway System and the topside development over the land as specified in the agreement. The joint arrangement is structured through a separate vehicle, MCSI, which is a wholly-owned subsidiary (Note 26.1).

The Group has assessed the nature of the joint arrangement with the Makati City Government and determined it to be joint operations.

The contractual arrangement establishes the parties' rights to the assets, and obligations for the liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses.

26.10 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and amortization and impairment, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, classified as repairs and maintenance, are charged to profit or loss during the year in which they are incurred.

Depreciation of property and equipment are computed using the straight-line method over the following estimated useful lives in years:

Asset class	Useful life
Residential units and parking lots	25 to 50 or lease term, whichever is shorter
Building and improvements	25 to 50
All others	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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 26.11).

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their related accumulated depreciation are removed from the accounts. Gain or loss arising from disposal is determined as the difference between the net disposal proceeds and the carrying amount of the asset. Gain or loss on disposal is recognized in profit or loss in the period of the disposal.

Accounting policies on right-of-use assets classified under property and equipment are discussed in Note 26.22.

26.11 Impairment of non-financial assets

Assets that have an indefinite useful life, such as investment in a subsidiary, and intangible assets, are not subject to depreciation and amortization and are tested annually for impairment. Assets that have definite useful life are subject to depreciation and amortization and are 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 costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are impaired are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in profit or loss.

26.12 Fair value measurement

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 a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that an 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:

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyzes the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(a) Financial instruments

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. These instruments are included in Level 1. The Group's listed financial assets at FVOCI are included in Level 1.

The fair value of financial instruments 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. The Group's unlisted financial assets at FVOCI are included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. There are no financial instruments that fall under the Level 3 category. There were no transfers from one category to another in 2021 and 2020.

(b) Non-financial assets or liabilities

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).

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 Group's investment properties are under Level 3.

There are no other assets and liabilities that are measured using the fair value hierarchy as at December 31, 2021 and 2020.

26.13 Accounts payable and other liabilities

Accounts payable and other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established. These are measured at the original invoice amount (as the effect of discounting is immaterial). Other relevant policies are discussed in Note 26.2, except payable to government agencies, customers' deposits and accrued real property taxes which are not considered financial liabilities.

Payable to government agencies and accrued real property taxes are initially recognized at nominal amount and not subject to discounting but are derecognized similarly. These are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as non-current liabilities.

26.14 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method. Other relevant policies of borrowings, being a financial liability, are discussed in Note 26.2.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which these are incurred.

26.15 Income taxes

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates based on existing laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses or NOLCO and unused tax credits or excess MCIT to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are derecognized when the related bases are realized/settled or when it is no longer realizable/due.

26.16 Employee benefits

(a) Retirement benefits

The Parent Company is subject to the provisions of RA No. 7641. This law requires that 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 entity, may retire and shall be entitled to retirement pay equivalent to at least ½ month salary for every year of service, a fraction of at least six (6) months being considered as one whole year. This falls within the definition of a defined benefit retirement plan.

A defined benefit plan is a retirement plan that defines an amount of retirement benefit to be provided to an employee upon retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, if any.

The defined benefit obligation is calculated annually by an independent actuary 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 the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited as 'remeasurements' through other comprehensive income in equity 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 net balance of the defined benefit obligation and any fair value of plan assets. This cost is included in retirement benefit expense in profit or loss.

(b) 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 at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value. The related liability is derecognized when the obligation is discharged or cancelled.

(c) Short-term employee benefits

Wages, salaries, paid annual vacation and sick leave credits and other non-monetary benefits are accrued during the period in which the related services are rendered by employees of the Group. Short-term employee benefit obligations are measured on an undiscounted basis.

26.17 Contingencies and provisions

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes when inflows of economic benefits are probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

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 has been 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.

Provision for clearing costs represents the Group's expected cost to clear a portion of its Binangonan property and other properties that the Group acquires from bona fide occupants with superior rights over the Group's investment properties (Note 26.7). The amount is based on the average estimated clearing and titling cost per agreement with the contractor. Such amount represents the peso value quoted by the contractor based on recoverable area and is adjusted regularly to reflect the net present value of obligation associated with clearing of land titles.

When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as an interest expense.

Provisions are derecognized when the obligation is settled, cancelled or has expired.

26.18 Deposits for future shares subscription

Deposits for future shares subscription represent amounts received from shareholders which will be settled by way of issuance of the Group's own shares at a future date. The Group considers the deposits as liability unless all of the following elements are present:

- The unissued authorized share capital of an entity is insufficient to cover the amount of shares indicated in the subscription agreement;
- There is a BOD's approval on the proposed increase in authorized share capital to cover the shares corresponding to the amount of the deposit;
- There is shareholders' approval of proposed increase; and
- The application for the approval of the proposed increase in authorized share capital has been filed with the SEC as at reporting date.

Deposits for future shares subscription are derecognized and converted to equity once corresponding shares have been issued.

26.19 Equity

(a) Share capital

Share capital, which are stated at par value, are classified as equity.

Issuance of new shares as a result of options, rights and warrants are shown in equity as an addition to the balance of share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The excess of proceeds from issuance of shares over the par value of shares or additional capital contributions in which no shares were issued are credited to share premium.

(b) Treasury shares

Where any member of the Group purchases the Group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

(c) Retained earnings

Retained earnings include current and prior years' results of operations, net of transactions with shareholders and dividends declared, if any. Retained earnings also include the effect of changes in accounting policy as may be required by the relevant standards' transitional provisions on their initial adoption and cumulative unrealized fair value gain on investment properties. The cumulative unrealized fair value gain on investment properties is restricted from dividend declaration unless the corresponding investment properties have been sold resulting into a realized gain.

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's BOD.

(d) Stock rights offering

An issue of rights to existing shareholders of the Group that entitles them to purchase additional shares in proportion to their existing holdings, within a fixed time period, at a lower or discounted price to preserve the percentage ownership of the current holders.

Liability for stock rights subscriptions is derecognized once settled.

(e) Share warrants payable

Proceeds from the issue of common share warrants are treated as equity and recorded as a separate component of equity. Costs incurred on the issue of share warrants are netted against proceeds. Share warrants issued with common shares are measured at fair value at the grant date. The fair value is included as a component of equity and is transferred from share warrants to share capital on exercise date.

(f) Equity reserves

Equity reserves comprise actuarial gains and losses due to remeasurements of post-employment defined benefit plan, foreign currency translation of financial statements of a foreign subsidiary, the mark-to-market valuation of its financial assets at FVOCI and other reserve.

Other reserve arising from the recognition of intangible assets as a result of a contractual arrangement is restricted from dividend declaration. Such reserve is only available for use in corporate restructuring, reorganization and liquidation which will require authorization of the BOD and approval by the SEC.

26.20 Earnings per share

Basic earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive potential common shares.

26.21 Revenues and income, and costs and expenses

(a) Revenues from contracts with customers and other income

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities, which normally approximates the invoice amount.

Sales of real estate and costs of real estate sold

Sales are recognized when control of the real estate has transferred, being when the sales price is deemed collectible. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the Group. Collectability is also assessed by considering factors such as the credit standing of the buyer, age and location of the property.

Sales of real estate are considered as sales at a point in time. For properties sold through a financing agreement with Pag-IBIG under the HDMF, revenue is recognized upon loan approval from HDMF, net of any discount. For properties sold through cash, revenue is recognized upon full collection, net of any discount. For properties sold through installments, revenue is recognized upon turnover of the units to the buyers, which coincides with the collection of a significant portion of the contract price.

Any collections on contracts that have not yet qualified for revenue recognition are reported as customers' deposits within accounts payable and other liabilities in the consolidated statement of financial position.

Costs of real estate sold are recognized simultaneously with revenue. Costs of real estate sold include cost of land allocated to the Group based on assigned lots stated in the agreement entered into with the developer and all other incidental costs incurred by the Group.

Other income not covered by PFRS 15, Revenue from Contracts with Customers

(i) Interest income

Interest income is recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the original effective interest rate.

Interest income on bank deposits is recognized when earned, net of final tax.

(ii) Dividend income

Dividend income is recognized when the right to receive payment is established.

(iii) Rental income

Operating lease payments are recognized as income on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as income in the period in which they are earned.

(iv) Other income

Other income, including gain on reversal of liabilities, is recognized when earned.

(b) Costs and expenses

(i) Interest expenses

Interest expense is recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial liability.

(ii) Other costs and expenses

Other costs and expenses are recognized when incurred.

26.22 Leases

(a) Group as lessor - operating lease

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

The Group leases out a parcel of its land. Rental income is recognized in accordance with the rental income accounting policy in Note 26.21.

(b) Group as lessee - operating lease

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If such contracts exist, the Group then recognizes a right-of-use asset and lease liability at the date which the underlying asset is available for use.

(i) Measurement and classification of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, 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 Group:

- 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).

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities are included in current liabilities, except for maturities more than twelve (12) months after the reporting period which are classified as non-current liabilities.

Other relevant accounting policies of lease liabilities, being a financial liability, are disclosed in Note 26.2.

(ii) Measurement and impairment of right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

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 Group is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying asset's useful life. Depreciation of right-of-use assets is presented under expenses in the consolidated statement of total comprehensive income.

Right-of-use assets are presented as part of property and equipment in the consolidated statement of financial position.

Right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (Note 26.11).

(iii) Determination of incremental borrowing rate

To determine the incremental borrowing rate, the Group:

- 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).

(iv) 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 Group 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.

(v) Residual value guarantees

The Group initially estimates and recognizes amounts expected to be payable under residual value guarantees as part of the lease liability. The Group's leases did not include such guarantees.

(vi) 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 through profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with minimum lease payments below the capitalization threshold. These leases are presented as part of rent under expenses in the consolidated statement of total comprehensive income.

26.23 Foreign currency transactions and translation

Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's consolidated financial statements are presented in Philippine Peso, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange 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 profit or loss.

26.24 Related party transactions and relationships

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 enterprises and their key management personnel, directors, or their shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is changed.

26.25 Operating segments

The Group's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services and serves different markets. Financial information on business segments is presented in Note 23.

26.26 Events after the reporting date

Post year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

Philippine Infradev Holdings Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2021
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, based on audited financial statements, beginning	6,980,441,967
Less: Cumulative fair value adjustment on investment property resulting to gain, net of tax	(11,230,569,281)
Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	(4,250,127,314)
Add: Net income actually earned/realized during the year	1,019,887,479
Less: Non-actual/unrealized income net of tax	-
Equity in net income of associate/joint venture	-
Unrealized foreign exchange gain (except those attributable to cash and cash equivalents)	-
Unrealized actuarial gain	(663,209,583)
Fair value adjustment (market-to-market gains)	-
Fair value adjustment of investment property resulting to gain	-
Adjustment due to deviation from PFRS/GAAP - gain	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-
Sub-total	356,677,896
Add: Non-actual losses	
Depreciation on revaluation in revaluation increment (after tax)	-
Adjustment due to deviation from PFRS/GAAP - loss	-
Loss on fair value adjustment of investment property (after tax)	-
Net income actually earned during the year	356,677,896
Add (Less):	
Dividend declarations during the year	-
Appropriations of retained earnings during the year	-
Reversals of appropriations	-
Effects of prior period adjustments	-
Treasury shares	-
Unappropriated Retained Earnings Available for Dividends, ending	(3,893,449,418)

Philippine Infradev Holdings Inc.

Schedule of Financial Soundness Indicators
As at December 31, 2021
(With comparative ratios as at December 31, 2020 and 2019)

Ratio	Formula	2021	2020	2019
Current ratio	Total current assets divided by total current liabilities	4.11	6.70	12.32
	Total current assets	1,751,013,830		
	Divided by: Total current liabilities	425,997,841		
	Current ratio	4.11		
Acid test ratio	Quick assets (Total current assets less inventories and prepayments and other assets) divided by total current liabilities	1.16	2.29	8.01
	Total current assets	1,751,013,830		
	Less: Real estate held for sale and development	(1,162,643,731)		
	Prepayments and other current assets	(95,742,516)		
	Quick assets	492,627,583		
	Divided by: Total current liabilities	425,997,841		
	Acid test ratio	1.16		
Solvency ratio	Net income plus non-cash expenses (e.g. depreciation, amortization, etc.) divided by total liabilities	0.40	0.03	0.20
	Net income	7,047,896,466		
	Add: Depreciation	8,104,486		
	Amortization	37,103		
	Subtotal	7,056,038,055		
	Divided by: Total liabilities	17,551,928,281		
	Solvency ratio	0.40		
Debt-to-equity ratio	Total liabilities divided by total equity	0.12	0.12	0.12
	Total liabilities	17,551,928,281		
	Divided by: Total equity	142,020,787,607		
	Debt-to-equity ratio	0.12		
Asset-to-equity ratio	Total assets divided by total equity	1.12	1.12	1.12
	Total assets	159,572,715,888		
	Divided by: Total equity	142,020,787,607		
	Asset-to-equity ratio	1.12		
Interest rate coverage ratio	Net income before interest and tax divided by interest expense	423.64	96.24	1,340.14
	Net income before tax	8,673,057,253		
	Add: Interest expense	20,521,296		
	Net income before interest and tax	8,693,578,549		
	Divided by: Interest expense	20,521,296		
	Interest rate coverage ratio	423.64		

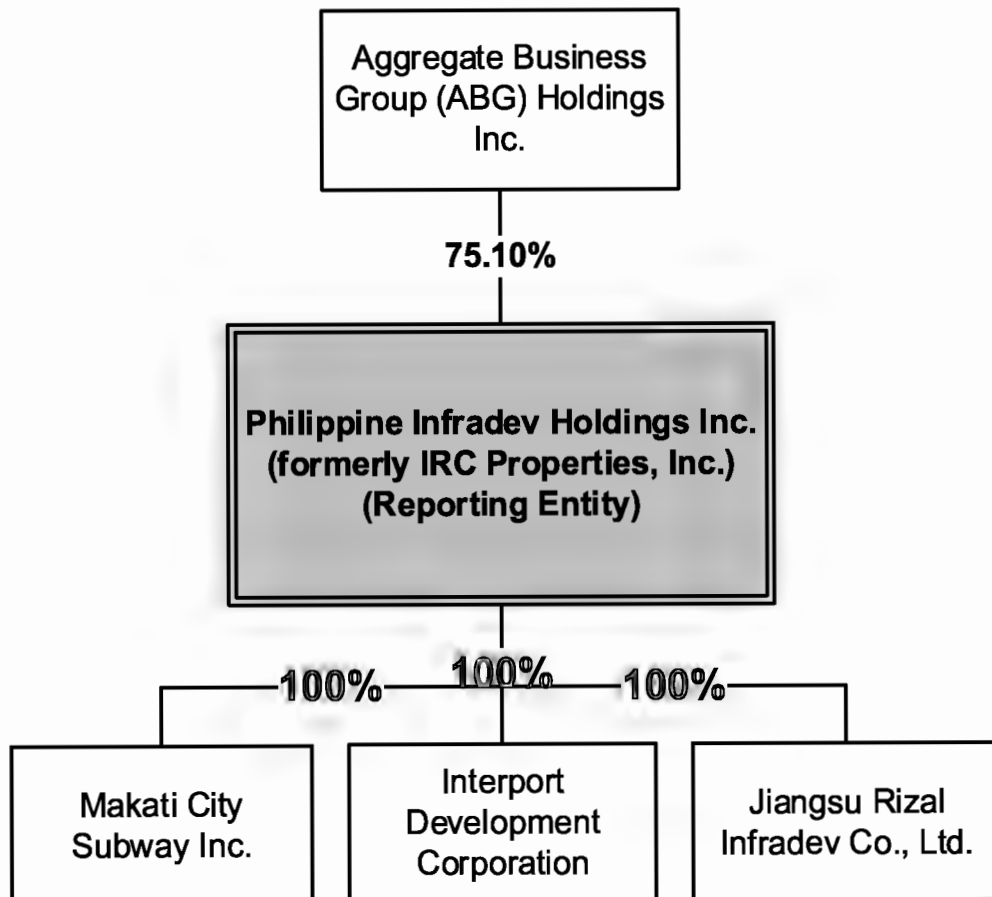
Philippine Infradev Holdings Inc.

Schedule of Financial Soundness Indicators
As at December 31, 2021 and 2020
(With comparative figures as at December 31, 2020 and 2019)

Ratio	Formula	2021	2020	2019
Return on equity	Net income divided by total equity	0.05	0.00	0.02
	Net income	7,047,896,466		
	Divided by: Total equity	142,020,787,607		
	<u>Return on equity</u>	<u>0.05</u>		
Return on assets	Net income divided by total assets	0.04	0.00	0.02
	Net income	7,047,896,466		
	Divided by: Total assets	159,572,715,888		
	<u>Return on assets</u>	<u>0.04</u>		
Net profit margin	Net income divided by total revenues	0.80	0.46	0.66
	Net income	7,047,896,466		
	Divided by: Total revenues	8,766,598,899		
	<u>Net profit margin</u>	<u>0.80</u>		

Philippine Infradev Holdings Inc.

Map of the Group of Companies within which the Reporting Entity Belongs
December 31, 2021



Philippine Infradev Holdings Inc.

Schedule A - Financial Assets
As at December 31, 2021
(All amounts in Philippine Peso)

Name of issuing entity and description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Value based on market quotations at end of reporting period	Income received and accrued
Financial assets at amortized cost				
Cash	N/A	364,383,654	364,383,654	189,813
Receivables, net	N/A	110,639,815	110,639,815	-
Funds held by custodian bank	N/A	17,604,114	17,604,114	-
Refundable deposits	N/A	1,691,862	1,691,862	-
		494,319,445	494,319,445	189,813
Financial asset at fair value through other comprehensive income				
Equitable Banking Corp.	120	-	-	-
Victorias Milling Corp.	70,000	163,100	163,100	-
Tower Club	1	50,000	50,000	-
		213,100	213,100	-
		494,532,545	494,532,545	189,813

See Notes 2, 3, 4, and 10 to the Consolidated Financial Statements.

Philippine Infradev Holdings Inc.

Schedule B - Amounts Receivable from Directors, Officers,
Employees, Related Parties and Principal Stockholders (Other than Related Parties)
As at December 31, 2021
(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of period	Additions	Deduction		Current	Not current	Balance at end of period
			Amount collected	Amount written-off			
Not applicable							

Philippine Infradev Holdings Inc.

**Schedule C - Amounts Receivable from Related Parties
which are Eliminated during the Consolidation of Financial Statements
As at December 31, 2021
(All amounts in Philippine Peso)**

Name and designation of debtor	Balance at beginning of period	Additions	Deduction		Current	Not current	Balance at end of period
			Amount collected	Amount written-off			
Interport Development Corporation	457,525	112,500	-	-	570,025	-	570,025
Jiangsu Rizal Infradev Co., Ltd.	-	100,000	-	-	100,000	-	100,000
	457,525	212,500	-	-	670,025	-	670,025

See Note 26.1 to the Consolidated Financial Statements.

Philippine Infradev Holdings Inc.

Schedule D - Long-Term Debt
As at December 31, 2021
(All amounts in Philippine Peso)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related statement of financial position	Amount shown under caption "Long-term debt" related statement of financial position
Borrowings	222,152,229	222,152,229	-

See Note 13 to the Consolidated Financial Statements.

Philippine Infradev Holdings Inc.

Schedule E - Indebtedness to Related Parties
(Long-term Loans from Related Parties)

As at December 31, 2021
(All amounts in Philippine Peso)

Name of related party	Balance at beginning of period	Balance at end of period
Not applicable*		

**All related party payables are current*

See Note 26.1 to the Consolidated Financial Statements.

Philippine Infradev Holdings Inc.

Schedule F - Guarantees of Securities of Other Issuers

As at December 31, 2021

(All amounts in Philippine Peso)

Name of issuing entity of securities guaranteed by the company for which statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by the company for which statement is filed	Nature of guarantee
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Not applicable

Philippine Infradev Holdings Inc.

Schedule G - Capital Stock
As at December 31, 2021
(All amounts in Philippine Peso)

Title of issue	Number of shares authorized	Number of shares issued and outstanding	Number of shares reserved for options, warrants, conversions, and other rights	Number of shares held by		
				Parent company	Directors, officers, and employees	Others
Subscribed shares:						
Common class	9,500,000,000	6,061,578,964	1,856,655,400	4,552,220,000	1,900	1,509,357,064
Preferred shares*	1,000,000,000	656,655,400	-	-	-	656,655,400
Total	10,500,000,000	6,718,234,364	-	4,552,220,000	1,900	2,166,012,464
Less subscription receivable:						
Common class	-	(2,053,207,577)	-	(2,053,207,577)	-	-
Preferred shares	-	-	-	-	-	-
Total	-	(2,053,207,577)	-	(2,053,207,577)	-	-
Issued shares:						
Common class	-	4,008,371,387	-	2,499,012,423	1,900	1,509,357,064
Preferred shares*	-	656,655,400	-	-	-	656,655,400
Total	-	4,665,026,787	-	2,499,012,423	1,900	2,166,012,464
Less treasury shares:						
Common class	-	(18,642)	-	-	-	(18,642)
Preferred shares	-	-	-	-	-	-
Total	-	(18,642)	-	-	-	(18,642)
Outstanding shares:						
Common class	-	4,008,352,745	-	2,499,012,423	1,900	1,509,338,422
Preferred shares	-	656,655,400	-	-	-	656,655,400
Total	-	4,665,008,145	-	2,499,012,423	1,900	2,165,993,822

**Not yet issued but fully paid*

See Note 14 to the Consolidated Financial Statements.

Philippine Infradev Holdings Inc.
(formerly IRC Properties, Inc.)

(Company's Full Name)

**38F Rufino Pacific Tower, 6784 Ayala Ave.,
Makati City**

(Company's Address)

(632) 8283-8459 / (632) 8283-8294

(Telephone Numbers)

December 31

(Fiscal Year Ending (month & day))

Form 17-A Annual Report

Form Type

Amendment Designation (if applicable)

December 31, 2021

Period Ended Date

Publicly Listed Corporation

(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A**

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

1. For the calendar year ended: **December 31, 2021**
2. Commission Identification Number : **60312**
3. BIR Tax Identification Number: **000-464-876**
4. Exact name of registrant as specified in its charter: **PHILIPPINE INFRADEV HOLDINGS INC.**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Phils.**
6. Industry Classification Code: (SEC Use Only)
7. Address of registrant's principal office Postal Code
38F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City **1223**
8. Registrant's telephone number, including area code : **(632) 8283-8459 / (632) 8283-8294**
9. Former name, former address and former fiscal year, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of shares outstanding</u>
Common	6,061,560,322
Preferred	722,320,940

11. Are any or all of the securities listed on a Stock Exchange?

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange Common Stock

12. Indicate by check mark whether the registrant:

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

Yes No

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

Yes No

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1 - BUSINESS

Company and Business Profile

Philippine Infradev Holdings Inc. (*formerly IRC Properties, Inc.*) (Parent Company) and Interport Development Corporation (IDC) (Subsidiary) were incorporated in the Philippines on February 24, 1975 and December 21, 1993, respectively. Parent Company is primarily involved in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms. IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes.

In 2018, Aggregate Business Group Holdings Inc. (ABG) purchased 26.94% ownership out of the 29.62% equity interest in the Parent Company previously held by Mabuhay Holdings Corporation. ABG is a domestic holding company. In 2019, ABG increased its ownership in the Parent Company to 71.28% through the purchase of additional shares making it the Group's ultimate parent company as at December 31, 2021.

On July 20, 2018, the Parent Company's Board of Directors (BOD) and shareholders approved the change in the Parent Company's corporate name to Philippine Infradev Holdings Inc. Such change was subsequently approved by the Securities and Exchange Commission (SEC) on October 30, 2018.

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of Makati City Government a Notice of Award for the construction and operation of the Makati Subway System (the "Project") to be implemented through a joint venture agreement. The Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. JRIC is a wholly-owned, foreign subsidiary of the Parent Company

On July 19, 2019, the Makati City Council approved City Ordinance No. 2019-A-020 (the "Ordinance") on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway Project.

On July 30, 2019, the Parent Company's BOD approved a resolution authorizing the Parent Company's execution, delivery and performance of the PPP JV Agreement with the Makati City Government, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP JV Agreement and the Parent Company submitted to the Makati City Government the US\$350 million performance bond which was accepted by the Makati City Government.

On February 18, 2020, the Notice to Proceed for the Subway Project was received by the Parent Company. The Subway project is expected to be completed within five (5) years for an estimated total project cost of US\$3.5 billion.

The Parent Company's BOD approved the change in the Parent Company's registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. ("RTI") for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System Project through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

The Parent Company and its subsidiaries have been collectively referred hereinto as the Group.

The clearing of the Company's Binangonan property is still the focus of the Company's operations with the goal of completely freeing from third party claims 500 hectares of the 2,200-hectare property. Due to a number of factors, including the recognition of Supreme Court's recognition of the superior rights of the bonafide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at December 31, 2021 and 2020. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group's interaction with current occupants.

The Group is actively in the process of clearing and re-titling the large portion of the property in Binangonan for future developments.

The company is not dependent upon any customer. It does not hold any right on patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements.

As of December 31, 2021, the Company has total of Twenty-four (24) personnel excluding the Chairman, President, Corporate Secretary and Assistant Corporate Secretary.

Item 2 - PROPERTIES

Binangonan Property

The Binangonan property was acquired in 1978 and part and parcel of the 2,200-hectare property.

On November 21, 1991, the Supreme Court affirmed previous decisions by the Court of Appeals and the Regional Trial Court confirming the validity of the Parent Company's titles over its Binangonan property. However, in the same Supreme Court decision, it was also declared that the Parent Company's ownership of the titles shall be subject to the declared superior rights of bonafide

occupants with registered titles within the area covered by the questioned decree and bonafide occupants who have acquired ownership through acquisitive prescription of dominion and other real rights. The area of present claimants to certain parcels of land within the Parent Company's titled property is currently being identified and verified by the Group's legal counsel.

Based on the appraisal performed by an independent external firm of appraisers, the Binangonan property has a fair value of P24.17 billion as at December 31, 2021 (2020 - P23.18 billion). In 2020, management engaged an appraiser to reassess the value of the Binangonan property. However, management did not recognize all fair value adjustments as they believe that the fair value as at December 31, 2020 for a significant portion of the properties has not significantly changed from their fair value as at December 31, 2019 since there were no significant changes in market conditions that significantly affect the fair value of investment properties as at December 31, 2020.

Eastridge Property

The Eastridge project (Trocadero Residences) has been deferred until the Group finds a more opportune moment to develop a mix of condominium and townhouses within a 1.34-hectare property also in its Binangonan property adjacent to Thunderbird Resort and Casino and the 18-hole Eastridge Golf Club.

Makati property and the PPP JV Agreement

Under the PPP JV Agreement, the Makati City Government will provide MCSI through the Parent Company at least 32 hectares of land (the "Project Land"). The Project Land will consist of the areas required for the staging, construction, operation, maintenance and development of the Subway Project as indicated in the feasibility study and/or as may be mutually agreed upon by the Makati City Government and the Parent Company (the "JV Parties") that currently belong to: (i) the Makati City Government, (ii) the Parent Company and (iii) third parties, which must be delivered and made available to MCSI in accordance with the Subway Project's Land Acquisition Plan. The specific rights and obligations of the JV Parties are provided in the PPP JV Agreement.

On October 28, 2019, the Makati City Government transferred the beneficial ownership of a 7.90-hectare property in Makati City (the "Makati Land") to the Parent Company through an Asset Transfer Agreement in consideration for the issuance of the Parent Company's preferred shares. These idle properties which are located at the identified stations of the Subway Project will be used in the construction of topside development for residential, commercial and public uses.

The PPP JV Agreement also grants to MCSI through the Parent Company floor-to-area ratio (FAR) of 20 in the areas where the Project Land are located which was approved through the Makati City Ordinance No. 2019-A-020 in 2019. In the event that the Subway Project is completed ahead of the completion target date, FAR will be increased to 22.

Until the issuance of the Certificate of Final Completion, the Makati Land can only be mortgaged, encumbered or used as collateral by MCSI upon the express consent and approval by all nominee directors of the Makati City Government in the Parent Company and MCSI.

The remaining Project Land that are yet to be acquired by MCSI from registered third-party owners has a total land area of 26.75 hectares as at December 31, 2021 (2020 - 26.84 hectares). In 2021, the Group acquired a total of 0.52 hectares (2020 - 0.43 hectares) of land from third-party owners.

Based on the appraisal performed by an independent external firm of appraisers, the Makati properties have a fair value of P15.54 billion as at December 31, 2021 (2020 - P6.57 billion).

Item 3 - LEGAL PROCEEDINGS

Involvement in Certain Legal Proceedings

None of the directors and officers of the Company was involved, in the past five years up to the latest date, in any bankruptcy proceeding. Neither have they been during the same period convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law that are material to their evaluation as to their fitness for their respective positions.

The Company and its consolidated subsidiary are parties to various legal actions or proceedings. However, in the opinion of management, the ultimate liability, if any, resulting from these actions or proceedings, will not have a material effect on the Company's financial position.

Item 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for matters taken up during the Annual Stockholders' Meeting there were no other matters submitted to a vote of security holders during the period covered by this report. The last annual stockholders' meeting of the corporation was held on December 20, 2021.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5 - RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES

There are no securities of the company sold by it within the past three (3) years which were not registered under the Code or any reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities.

Item 6 - MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Stock Prices

The shares of IRC traded along the following bands during 2021 and 2020:

	2021		2020	
	Common Stock		Common Stock	
	High	Low	High	Low
First Quarter	1.67	1.29	1.26	0.59
Second Quarter	1.47	1.30	0.93	0.70
Third Quarter	1.44	1.13	1.28	0.77
Fourth Quarter	1.27	1.09	1.74	1.15

Holder

The company has an authorized capital stock of Php 19.5 Billion divided into 9,500,000,000 common shares with par value of Php 1.00 per share and 1,000,000,000 preferred shares with par value of Php 10.00 per share. The number of stockholders of record as of December 31, 2021 is 556. Common and preferred shares outstanding as of December 31, 2021 amount to 6,061,560,322.00 and 7,223,209,400.00, respectively.

The preferred shares shall have full voting rights, preference as to liquidation, with cumulative, participating (with common shares) and fixed dividends at a rate of 2% per annum from issuance of the Parent Company's preferred shares for five years until the total amount of dividends paid is P656.66 million. The preferred shares are convertible to: (i) common shares of the Parent Company, or (ii) twenty-five percent (25%) of the post conversion total issued and outstanding share capital of MCSI. The preferred shares are considered equity instruments based on their features.

Stock Prices as of the latest trading date:

December 31, 2021 - Common share P 1.12

Stock prices as of the latest practicable date in 2022

April 29, 2022 - Common share P 0.89

There is no sale of unregistered securities for the year 2021.

The top 20 stockholders as of December 31, 2021 are as follows:

Common Stock

	<u>Name of Stockholder</u>	<u>Number of Shares</u>	<u>Percentage Ownership</u>
1	AGGREGATE BUSINESS GROUP HOLDINGS, INC.	4,552,220,000	*75.10%
2	PCD NOMINEE CORP. (NF)	642,988,012	10.61%
3	PCD NOMINEE CORP. (F)	422,535,502	6.97%
4	AUSPICIOUS ONE BELT ONE ROAD FUND	368,175,000	6.07%
5	RIZAL PARTNERS CO. LTD.	45,385,000	0.75%
6	MARILAQUE LAND INC.	5,998,000	0.10%
7	DEE ALICE T.	2,995,000	0.05%
8	VALMORA INVESTMENT AND MANAGEMENT CORPORATION	2,300,000	0.04%
9	EQUITY MANAGERS ASIA INC	1,000,000	0.02%
10	DAVID GO SECURITIES CORPO	729,000	0.01%
11	SIGUION-REYNA LEONARDO T	700,000	0.01%
12	UY IMELDA T.	621,000	0.01%
13	TAN HENRY L.	600,000	0.01%
14	BLUE RIDGE CORPORATION	500,000	0.01%
15	TANCHAN III SANTIAGO	500,000	0.01%
16	LAO ALEX L.	500,000	0.01%
17	CHAM GRACE	480,000	0.01%
18	ALL ASIA SECURITIES MANAGEMENT CORPORATION	419,000	0.01%
19	CO JR. TONG TE	401,000	0.01%
20	PASCUAL SECURITIES CORP.	400,250	0.01%

The above list is exclusive of 722,320,940 preferred shares with par value of Php 10.00 per share issued to City Government of Makati.

* Inclusive of shares lodged under PCD NOMINEE CORP.

Share warrants

On June 1, 2018, the BOD approved the issuance in favor of Cross Strait 1.2 billion warrants, American option, with the strike price of P1.00 per share, valid for 5 years from issuance, in exchange for Cross Strait's rights over the Subway System Project. This was subsequently approved by at least 2/3 of shareholders on July 20, 2018.

The Parent Company and Cross Strait finalized the agreement in 2019 in which Cross Strait formally transfers to the Parent Company its rights to the Subway System Project including the priority of bidding for the said project, topside development projects, construction and operation rights for the Subway System. The transaction also includes pre-feasibility studies, feasibility studies, legal due diligence, financial models, and business planning. The carrying value of the share warrants, based on the fair value of the assets received at transaction date, amounted to P1.76 billion as at December 31, 2021 and 2020. The value of such assets which are required to complete the construction of the Subway System are included as part of construction-in-progress account under property and equipment in the consolidated statements of financial position.

Dividend Policy

The Company's Board is authorized to declare cash or stock dividends or a combination thereof. A cash dividend declaration requires the approval of the Board but shareholder approval is not necessary. A stock dividend declaration requires the approval of the Board and shareholders representing at least two-thirds (2/3) of the Company's outstanding capital stock. Holders of outstanding shares as of a dividend record date for such shares will be entitled to the full dividend declared without regard to any subsequent transfer of shares.

Under the Company's By-Laws, dividends may be declared from its surplus profits at such time or times and in such percentage as the Board may deem proper. No dividend shall be declared that will impair the capital of the Company.

Under the Philippine Corporation Code, the Company may not make any distribution of dividends other than out of its unrestricted retained earnings.

The Company does not have a specific dividend policy.

The Company has not declared or paid out any dividend in the last three (3) years.

Pursuant to existing SEC rules, cash dividends declared by a listed company must have a record date not less than 10 or more than 30 days from the date the cash dividends are declared. With respect to stock dividends, the record date is not to be less than 10 or more than 30 days from the date of shareholder approval, provided however, that the record date shall not be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

Each holder of a Common Share is entitled to such dividends as may be declared in accordance with the Company's dividend policy.

Free Float Level

Based on the Public Ownership Report of the Company as of December 31, 2021, 15.53% of the total outstanding shares are owned by the public.

Item 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Philippine Infradev Holdings Inc. (*formerly IRC Properties, Inc.*) (Parent Company) and Interport Development Corporation (IDC) (Subsidiary) were incorporated in the Philippines on February 24, 1975 and December 21, 1993, respectively. Parent Company is primarily involved in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms. IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. JRIC is a wholly-owned, foreign subsidiary of the Parent Company.

As discussed in the Part I, Item 2 of this report, the company has a 2,200-hectare property located in the Municipality of Binangonan, Province of Rizal. The Binangonan property was acquired in 1978 and part and parcel of the 2,200-hectare property.

The fourth subdivision project located in Binangonan named Casas Carlina introduced single attached three-storey house units. In the pipeline is Casas Bauhinia which is being redesigned to cater to the middle end market.

As also discussed in the Part I, Item 2 of this report, the Makati City Government transferred the beneficial ownership of a 7.90-hectare property in Makati City (the "Makati Land") to the Parent Company through an Asset Transfer Agreement in consideration for the issuance of the Parent Company's preferred shares. These idle properties which are located at the identified stations of the Subway Project will be used in the construction of topside development for residential, commercial and public uses (Please refer to Part I, Item 2 of this report for further discussion).

Discussion of Material Events/Uncertainties Known to Management that would Address the Past and Impact on Future Operations

The Company has enough resources to cover payment of liabilities through the sale of some of its properties and proceeds from its prospective investors. The management does not foresee any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. The Company does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships with unconsolidated entities or other persons created during the reporting period. The Management is not aware of any known trends, events or uncertainties that have had or that are reasonably expected to have a material favourable or unfavourable impact on net sales or revenues or

income from continuing operations. The Company does not have any significant elements of income or loss that did not arise from the company's continuing operations.

Results of Operations

December 31, 2021

Philippine Infradev Holdings Inc. sold 10 units of Casas Aurora amounting to P 14,494,000 and 1 unit of Fiesta Casitas amounting to P 1,250,000. Further, the Company sold a parcel of raw land amounting to P 4,030,000. Casas Aurora project is the main sales contributor for the year ended 2021 in which the company started to sell the units in the year 2016.

Based on the latest appraisal as at December 31, 2021 performed by an independent external firm of appraisers, the Binangonan property has a fair value of P1,971/sqm as at December 31, 2021.

December 31, 2020

Philippine Infradev Holdings Inc. sold 18 units of Casas Aurora amounting to P 24,160,500 and 14 units of Fiesta Casitas amounting to P 16,235,000, net of P 225,000 sales discount. Casas Aurora project is the main sales contributor for the year ended 2020 in which the company started to sell the units in the year 2016.

In 2020, management engaged an appraiser to reassess the value of the Makati property that were acquired prior to January 1, 2020. However, management believes that the fair value of the Makati property that were acquired prior to January 1, 2020 as at December 31, 2020 has not significantly changed from its fair value as at December 31, 2019 since there were no significant changes in market conditions that significantly affect the current fair value of investment properties.

December 31, 2019

Philippine Infradev Holdings Inc. sold 49 units of Casas Aurora amounting to P 53,618,450, net of P6,250 sales discount, and 13 units of Fiesta Casitas amounting to P 13,731,500. Moreover, the Company sold a parcel of raw land amounting to P 9,965,229. Casas Aurora project is the main sales contributor for the year ended 2019 in which the company started to sell the units in the year 2016.

Based on the latest appraisal as at September 30, 2019 performed by an independent external firm of appraisers, the Binangonan property has a fair value of P1891/sqm as at December 31, 2019. There were no significant changes in the fair value between September 30, 2019 and December 31, 2019.

Financial Condition

December 31, 2021

The financial position of the Company as of December 31, 2021, shows total assets of P 159,572,715,888. Noncurrent assets were P 157,821,702,058. The noncurrent assets consist of investment properties, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets as of December 31, 2021 stood at P 1,751,013,830.

The total liabilities of the Company as of December 31, 2021 is P 17,551,928,281 while current liabilities stood at P 425,997,841. Non-current liabilities is P 17,125,930,440 which includes the 4,994,984,372 deferred tax liability and P 12,125,240,147 provision for clearing costs. Total stockholders' equity as of December 31, 2021 is P 142,020,787,607.

Material changes (2021 vs. 2020)

Cash decreased by P122.58 million mainly because of the land acquisitions and payment to the contractors and consultants related to the subway project and transit-oriented development. Other major payments were related to the land development and construction costs for the fourth subdivision of the Company named Casas Carlina.

Real estate held for sale and development increased by P83.15 million brought by the additions in the land development and construction costs for the fourth subdivision of the Company named Casas Carlina.

Prepayments increased by P20.63 million mainly because of the input VAT transactions of the Company.

Investment property increased by P9.22 billion mainly due to the land acquisition related to the subway project and fair value gain of the acquired land.

Property and equipment increased by P167.74 million mainly because of the transactions of MCSI related to its project development costs.

Intangible assets as at December 31, 2021 pertain to contractual rights over the excess FAR granted to the Group.

The upward movement in the Accounts payable and accrued expenses of 32% is mainly attributable to the accrued interest related to the loan of Jiangsu Rizal Infradev Co., Ltd. (JRIC) from Shanghai Mintu Investment Holding Company for Makati City Subway project partnership. JRIC is a wholly-owned, foreign subsidiary of the Parent Company to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. Further, the retention payable for both housing and subway project of the Group contributed to the upward movement of the account.

Provision for clearing costs, current portion and non-current portion increased by P324.92 million due to the change in estimate of clearing cost, net of unwinding of discount.

The material movement in the Deferred income tax liability is mainly brought by the cumulative unrealized fair value gain on investment property.

December 31, 2020

The financial position of the Company as of December 31, 2020, shows total assets of P 150,184,764,504. Noncurrent assets were P 148,431,908,365. The noncurrent assets consist of investment properties, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets as of December 31, 2020 stood at P 1,752,856,139.

The total liabilities of the Company as of December 31, 2020 is P 15,562,251,759 while current liabilities stood at P 261,734,400. Non-current liabilities is P 15,300,517,359 which includes the 3,370,029,112 deferred tax liability and P 11,781,988,676 provision for clearing costs. Total stockholders' equity as of December 31, 2020 is P 134,622,512,745.

Material changes (2020 vs. 2019)

Cash decreased by P1.3 billion mainly because of the land acquisitions and payment to the contractors and consultants related to the subway project.

Real estate held for sale and development increased by P90.74 million brought by the additions in the land development and construction costs for the fourth subdivision of the Company named Casas Carlina.

Prepayments increased by P31.73 million mainly because of the input VAT transactions of the Company.

Investment property increased by P738.45 million mainly due to the land acquisition related to the subway project and reclassification of accounts from advances to investment property.

Property and equipment increased by P636.70 million mainly because of the transactions of MCSI related to its project development costs.

Intangible assets as at December 31, 2020 pertain to contractual rights over the excess FAR granted to the Group.

The decrease in the Other assets is brought by the reclassification of accounts from advances to investment property.

The upward movement in the Accounts payable and accrued expenses of 23% is mainly attributable to the accrued interest related to the loan of Jiangsu Rizal Infradev Co., Ltd. (JRIC) from Shanghai Mintu Investment Holding Company for Makati City Subway project partnership. JRIC is a wholly-owned, foreign subsidiary of the Parent Company to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project.

Borrowings increased by P144.44 million as a result of the loan of Jiangsu Rizal Infradev Co., Ltd. (JRIC) from Jiangyin Changjiang Investment Group Co., Ltd. for Makati City Subway project partnership.

Provision for clearing costs, current portion and non-current portion decreased by 12% due to the change in estimate of clearing cost, net of unwinding of discount.

The material movement in the Deferred income tax liability is mainly brought by the cumulative unrealized fair value gain on investment property.

Other Payables decreased by 5.70 million mainly because of the reclassification of lease liabilities from current to non-current liability.

December 31, 2019

The financial position of the Company as of December 31, 2019, shows total assets of P150,190,588,391. Noncurrent assets were P147,242,134,508. The noncurrent assets consist of investment properties, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets as of December 31, 2019 stood at P2,948,453,883.

The total liabilities of the Company as of December 31, 2019 is P 16,014,648,988 while current liabilities stood at P239,260,290. Non-current liabilities is P15,775,388,698 which includes the 3,020,701,435 deferred tax liability and P12,743,834,354 provision for clearing costs. Total stockholders' equity as of December 31, 2019 is P 134,175,939,403.

Material changes (2019 vs. 2018)

Cash increased by P693.4 million mainly because of the proceeds from deposits for future shares subscription and loans, net of settlements of principal loans, interest, clearing costs and documentary stamp tax on issuance of preferred shares.

Receivables decreased by 204.4 million mainly because of the reclassification of advances made to Makati City Subway, Inc. (MCSI) from receivable account to advances to subsidiary which was eliminated upon consolidation of accounts. MCSI will serve as the corporate vehicle for the Project.

Real properties held for sale and development decreased by P9 million brought by cost of sold units, net of additions related to the development costs.

Prepayments increased by P27.1 million mainly because of the input VAT transactions of the Company.

Investment property increased by P15 billion mainly due to the increase in the fair value of Binangonan Properties from P14.71 billion in 2018 to P23.18 billion in 2019. Moreover, the fair value of Makati Land also contributed to the increase of the investment property.

Property and equipment increased by P2 billion mainly because of the transactions of MCSI related to its project development costs.

Intangible assets as at December 31, 2019 pertain to contractual rights over the excess FAR granted to the Group.

The increase in the Other assets is brought by the acquisition of land which was initially classified by the Company as deposit since there is no actual transfer of title yet as at December 31, 2019.

Borrowings increased to P70.2 million as a result of the loan of Jiangsu Rizal Infradev Co., Ltd. (JRIC) from Shanghai Mintu Investment Holding Company for Makati City Subway project partnership. JRIC is a wholly-owned, foreign subsidiary of the Parent Company to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project.

Provision for clearing costs, current portion and non-current portion increased by 39.4% due to the change in estimate of clearing cost, net of unwinding of discount.

The material movement in the Deferred income tax liability is mainly brought by the cumulative unrealized fair value gain on investment property.

December 31, 2018

The financial position of the Company as of December 31, 2018, shows total assets of P17,165,443,581. Noncurrent assets were P14,722,332,254. The noncurrent assets consist of investment properties, property and equipment (net of accumulated depreciation) and other assets. Current assets as of December 31, 2018 stood at P2,443,111,327.

The total liabilities of the Company as of December 31, 2018 is P10,788,037,995 while current liabilities stood at P1,140,198,836. Non-current liabilities is P9,647,839,159 which includes the P1,685,007,200 deferred tax liability and P7,958,840,691 provision for clearing costs. Total stockholders' equity as of December 31, 2018 is P6,377,405,586.

KEY PERFORMANCE INDICATORS ARE AS FOLLOWS:

Ratio	Formula	For the Year Ended December 31	
		2021	2020
Working Capital	Current assets minus current liabilities	1,325,015,989	1,491,121,739
Current Ratio	Current assets divided by current liabilities	4.11	6.70
Quick Ratio	Current assets minus prepayments, real properties held for sale and development and land held for development divided by current liabilities	3.83	6.36
Asset to Equity Ratio	Total assets divided by stockholders' equity	1.12	1.12
Debt to Assets Ratio	Total liabilities divided by total assets	0.11	0.10
Debt to Equity Ratio	Total liabilities divided by total equity	0.12	0.12
Gross Profit Margin	Gross profit divided by sales	1.00	0.98
Operating Profit Margin	Earnings before taxes and interest divided by sales	0.99	0.81
Net Profit Margin	Net profit divided by sales	0.80	0.46
Return on Assets	Net income divided by total assets	0.04	0.00
Return on Equity	Net income divided by stockholders' equity	0.05	0.00
Interest Coverage Ratio	Income before income tax and interest expense divided by interest payments	344.24	96.24

Item 8 - FINANCIAL STATEMENTS

The audited consolidated financial statements of the Registrant as of and for the year ended December 31, 2021, as listed in the accompanying Index to Financial Statements and Supplementary Schedules, are filed as part of this Form 17-A.

The financial statements attached to the report include the audited statement of financial position, statements total comprehensive income, statements of changes in equity, statements of cash flows

and the notes to the financial statements. Such reports form part of our attachment to our SEC Annual Report Form 17-A.

Item 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

(a) Audit and Audit-Related Fees

The Registrant continued the services of its external auditors from Isla Lipana & Co. There were no disagreements with the auditors with respect to accounting principles and practices, financial disclosures, or auditing scope or procedures. As in previous years, representatives of the Registrant's auditors are expected to be present at this year's annual stockholders' meeting, available to respond to questions that may be asked by the stockholders. The said auditors will have the opportunity to make a statement if they desire to do so.

The external auditors charged the Company and its subsidiaries a total amount of P3,360,000 and P2,000,000 for the year ending December 31, 2021 and December 31, 2020 respectively.

(b) Tax Fees

There were routine professional services rendered by the external auditors for tax accounting, compliance, advice, planning and any other form of tax services in each of the last two (2) calendar years ending December 31, 2021 and 2020. The fees for these services are included in the Audit and Audit-Related Fees mentioned above.

(c) All Other Fees

There were no other professional services rendered by the external auditors during the period.

(d) Company Policy in Appointment of Independent Auditor

The President and the Treasurer recommend to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board of Directors approves their recommendation.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS

Directors and Executive Officers of the Company

The Company's Board of Directors is responsible for the over-all management and direction of the Company. There are eleven (11) members of the Company's Board of Directors, two (2) of whom are independent directors. All directors were elected during the annual meeting of stockholders held on December 20, 2021 for the term 2021-2022.

<u>Name</u>	<u>Age</u>	<u>Present Position</u>	<u>Citizenship</u>
Ren Jinhua	58	Chairman	Chinese
Antonio L. Tiu	46	President / CEO	Filipino
Georgina A. Monsod	66	EVP / COO	Filipino
Keinth Roger B. Castillo	29	Treasurer/CIO	Filipino
Cao Lei	46	Director	Chinese
Ren Youmin	25	Director	Hongkong
Claro F. Certeza	64	Director	Filipino
Zhang Shengman	64	Director	Chinese
Laiza Rose R. Lamsen	33	Director	Filipino
Benedict Lim	58	Director	Filipino
Jose Gerardo A. Medina	59	Director	Filipino
Delfin P. Angcao	64	Corporate Secretary	Filipino
Ana Maria A. Katigbak-Lim	52	Asst. Corporate Secretary	Filipino

Following is a brief profile of the incumbent directors and executive officers of the Company, indicating their respective business experience for the past five (5) years.

Ren Jinhua, Chairman of the Board. Mr. Ren Jinhua has a Master's Degree in Law. He has over 30 years of outstanding practice experience in macro economy, business management and finance investment. He is a former director of Yangzijiang Shipbuilding. He is currently a Director of Mingly China Growth Fund Co., Ltd. and Chairman of Sinobase International (HK) Co., Ltd. Mr. Ren, a Chinese citizen, is 58 years old.

Antonio L. Tiu, President and Chief Executive Officer. Mr. Tiu, 46, Filipino, is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of The Big Chill, Inc., and President/CEO of Beidahuang Philippines, Inc. and Greenergy Holdings Incorporated. He was a part time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently board of adviser of DLSU School of Management. Mr. Tiu has a Master's degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Business Management from De La Salle University, Manila. He is currently a Doctorate student in Public Administration at the University of the Philippines. He was awarded the Ernst and Young Emerging Entrepreneur of the Year (2009), Overseas Chinese Entrepreneur of the Year 2010 and Ten Outstanding Young Men of the Philippines 2011. He is an active member of Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries.

Georgina A. Monsod, EVP and Chief Operating Officer. Ms. Monsod, 66, Filipino. Her business experience for the last five years includes being the Treasurer and Compliance Officer of the Company since March 12, 2008. She has been involved with real estate development and financing

for the past 17 years starting her career with Don Tim Development Corporation and moving to PrimeEast Properties Inc. Prior to this, she worked for the government sector from 1978 to 1994 in the field of tourism development. She holds a Postgraduate Course in Tourism and Hotel Management by the International School of Tourism Sciences in Rome, Italy. She was also a faculty member of the University of the Philippines (Diliman). She recently passed the licensure examination for Real Estate Brokers and is now a licensed Real Estate Broker.

Keinth Roger B. Castillo, Accounting Manager and Treasurer, Mr. Castillo, 29, Filipino, finished Bachelor of Science in Accountancy in De La Salle University – Dasmariñas in 2014 and passed the CPA board exam in the same year. He is a member of the Philippine Institute of Certified Public Accountants. He started his career as an audit associate in Punongbayan and Araullo. Since 2015, he has been involved in accounting and compliance for listed real estate companies. He currently serves as director and treasurer of the Makati City Subway, Inc.

Cao Lei - Mr. Lei, a Chinese national is 46 years old. He is a graduate of Nanjing University. His background is on financial management specifically for infrastructure projects all over Asia.

Ren Youmin, Director. Ren Youmin graduated from the University of New South Wales, Australia with a degree of Bachelor of Commerce, major in Finance. He is currently the Chairman and General Manager of Longsteel Technology Limited, a company based on Hong Kong. Ren Youmin, an Australian citizen, is 25 years old.

Claro F. Certeza, Filipino, 64 years old, Mr. Certeza graduated from the Ateneo de Manila University School of Law where he obtained his Bachelor of Laws degree. He also holds a Bachelor of Science degree from the University of the East. He is a member of the faculty of the Ateneo de Manila University School of Law and the College of Law of the Lyceum University where he lectures on Civil Law, Labor Law and Franchise Law. In 1992, he joined the Jollibee Foods Corporation (“Jollibee”), the biggest fast-food chain in the country where he concurrently served as Vice President for Legal and Vice President for Corporate Affairs. He was later elected Director of Jollibee and also a member of its Management Committee. After he retired from Jollibee, Mr. Certeza resumed private practice and acted as legal counsel to Fuji Xerox Philippines and various fast-food companies such as Julie’s Franchise Corporation, Aristocrat, Solerex, Crystal Clear, and Del Sol Foods Corporation, owners of the Goodah! Restaurant chain. He is likewise Executive Director of the Fuji Xerox Foundation of the Philippines, Inc. and the Legal Consultant of Gawad Kalinga, an institution recognized world-wide as an advocate of poverty alleviation. Mr. Certeza is currently the City Administrator of Makati City.

Zhang Shengman, aged 64, Chinese, worked for the World Bank as Executive Director for China, Vice President and Chief Secretary, Senior Vice Director, Managing Director and chairman of the operations committee, the sanctions committee and the corporate committee on fraud and corruption policy. He also worked for the Citigroup being once the Chairman and President of Asia Pacific region, and Vice Chairman and Chief Operating Officer of Markets and Banking sector. Mr. Zhang completed graduate economic studies in McGill University, Canada, and Advanced Management Program in Harvard Business School, USA.

Benedict Lim, Filipino, 58 years old, and has more than 35 years of international professional experience in business and strategic planning, product development, land master plan conceptualization and development, business and marketing plan development, tourism destination planning and marketing, managing operations, training, lecturing and consulting for hotels, resorts, spas, clubs, top tourism universities, condominiums, condotels, tourism and private real estate developments. Mr. Lim graduated from the Ateneo de Manila with a degree in Business Management, and completed his masters Course in Development Communication (magna cum laude) in the University of the Philippines. He is currently doing his Postgraduate Course in

Communication. Mr. Lim is a faculty member of the University of the Philippines Diliman and De La Salle University - College of St. Benilde since year 2007. He is also a professional real estate broker with expertise in real estate management, property standards development, property rentals, marketing, yield and revenue management.

Laiza Rose R. Lamsen 33, Filipino, graduated from Rizal Technological University with a degree of Bachelor of Science in Psychology. Currently the Head of Marketing of Philippine Infradev Holdings Inc. She started her career in real estate as a Marketing Officer at Vista Land International, a subsidiary of Vista Land Lifestyles. After five years with Vista Land, she joined the company and pioneered the sales and marketing department. Ms. Lamsen is a PRC-licensed Accredited Sales Person. Apart from corporate activities, Ms. Lamsen is also active in youth activities as she is also a trainer in a youth organization. She was able to represent the Philippines in the last 2014 Leadership Exchange held in Lucern, Switzerland.

Atty. Jose Gerardo A. Medina, 59, is a graduate of the University of the Philippines College of Law and has been active on the legal profession since 1990. He co-founded the Solis Medina Limpingo & Fajardo Law Offices in 1994. Atty. Medina currently serves as director, officer and legal counsel to numerous domestic and multinational corporations engaged in the fields of development, construction, engineering, banking, fish and agriculture. He also serves as a director of the UP Law Alumni Association and is a lecturer on business organizations and corporation law at the Philippine Law School.

Atty. Delfin P. Angcao, Corporate Secretary and Corporate Information Officer. Mr. Angcao, 64, Filipino, has been the Corporate Secretary and Corporate Information Officer since March 2008. He is a partner at the Castillo Laman Tan Pantaleon & San Jose Law Offices (CLTPSJ) since the year 2000. He was a Junior Associate with CLTPSJ from 1995 to 1997. He climbed up to being a Senior Associate from 1997 to 2000. He was an Associate at the San Jose, Enriquez, Lacas, Santos, Borje & Vendero from 1992 to 1995. His business experience for the last five years includes being Director and/or Corporate Secretary of various client corporations of CLTPSJ including Mabuhay Holdings Corporation and The Manila Southwoods Golf & Country Club, Inc. He is a member of the Integrated Bar of the Philippines and the Philippine Institute of Certified Public Accountants.

Atty. Ana Maria Katigbak-Lim, Director and Assistant Corporate Secretary – She holds the position of Assistant Corporate Secretary since 1999, or for more than 20 years now. She held the position of a director for seven years, or from 1999 to October 31, 2006, and then again for more than 9 years, or from June 27, 2007 up to the present. A member of the Integrated Bar of the Philippines and a graduate of Bachelor of Laws and Bachelor of Arts in Comparative Literature (Cum Laude) at the University of the Philippines, she is currently a partner at the Castillo Laman Tan Pantaleon & San Jose Law Offices. Her other business experience in the last 5 years are as follows: assistant corporate secretary of publicly-listed companies and registered membership clubs such as: Boulevard Holdings, Inc., Premier Entertainment Productions, Inc., Solid Group, Inc., The Metropolitan Club, Inc., AJO.net Holdings, Inc. and PhilWeb.Corporation. She is also a lecturer at the Thames International Business School, Philippine Campus. Atty. Katigbak, a Filipino, is 52 years old.

Significant Employees

No single employee is expected to make a significant contribution to the business since the employees of the company are expected to work together as a team in order to achieve the

corporation's set goals. All of the Company's employees are considered significant in their own particular way.

Family Relationships

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among the directors or officers herein listed other than Mr. Ren Jinhua, Chairman of the Board and his son, Mr. Ren Youmin, director.

Item 11. EXECUTIVE COMPENSATION

DIRECTORS

The Directors receive P5,000 as per diem transportation allowance for every board meeting.

EXECUTIVE OFFICERS

The annual compensation of the Company's executive officers for the last two (2) fiscal years and the ensuing year 2022 (estimate) are as follows:

Executive Officer	Position	Salary			Bonus	Other Annual Compensation
		2022 (estimate)	2021	2020		
Ren Jinhua	Chairman					
Antonio L. Tiu	President / CEO					
Georgina A. Monsod	EVP / COO					
Keinth Roger B. Castillo	Treasurer					
Ren Youmin	Director / Executive Committee					
Total of all above named directors & officers as a group		P5.0M	P4.9M	P7.5M	None	None

The company has not granted/exercised any warrants and options to its directors or officers and as no plans to grant/exercise any warrants and options now or in the near future. The standard arrangements pursuant of which directors are compensated are attendance in board meetings, election as officer of the company, designation as person in charge of certain assignments to be performed, etc. There are no other arrangements pursuant to which any director of the company was compensated.

Item 12. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners, Stockholders, directly or indirectly, the record or beneficial owner of more than 5% of any class of Registrant's voting securities.

The Company has no knowledge of any person holding more than five percent (5%) of the Company's shares of common stock under a voting trust or similar agreement.

The Companies known to the Registrant to be the record or beneficial owner of more than 5% of any class of the Registrant's voting securities as of December 31, 2021, as follows:

*Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	AGGREGATE BUSINESS GROUP HOLDINGS, INC. Unit 627 City and Land Mega Plaza Building ABD Avenue Corner Garnet Road, Ortigas Center, Pasig City	AGGREGATE BUSINESS GROUP HOLDINGS, INC. Principal Stockholder	Filipino	4,320,905,000	71.28%
Common	**PCD NOMINEE CORP. (F) G/F MSE Bldg. Ayala Ave., Makati City	Various owners	Filipino	653,850,502	10.79
Common	**PCD NOMINEE CORP. (NF) G/F MSE Bldg. Ayala Ave., Makati City	Various owners	Non-Filipino	642,988,012	10.61
Common	AUSPICIOUS ONE BELT ONE ROAD FUND	AUSPICIOUS ONE BELT ONE ROAD FUND Principal Stockholder	British	368,175,000	6.07%

*The above list is exclusive of 722,320,940 preferred shares with par value of Php 10.00 per share issued to City Government of Makati.

**231,315,000 out of 1,296,838,514 common shares (17.84 %) is for the account of AGGREGATE BUSINESS GROUP HOLDINGS, INC. which owns a total of 4,552,220,000 (75.10%) common shares of the Company.

Security Ownership of Management

Title of Class	Name	Amount/Nature of Beneficial Ownership	Total	Citizenship	Percent of Class
Common	Ren Jinhua	50/Direct	50	Chinese	0.00%
Common	Antonio L. Tiu	50/Direct	50	Filipino	0.00%
Common	Georgina A. Monsod	1,000/Direct	1,000	Filipino	0.00%
Common	Keinth Roger B. Castillo	100/Direct	100	Filipino	0.00%
Common	Cao Lei	50/Direct	50	Chinese	0.00%
Common	Ren Youmin	100/Direct	100	Hongkong	0.00%
Preferred	Claro F. Certeza	50/Direct	50	Filipino	0.00%
Common	Zhang Shengman	50/Direct	50	Chinese	0.00%
Common	Benedict Lim	100/Direct	100	Filipino	0.00%
Common	Laiza Rose R. Lamsen	50/Direct	50	Filipino	0.00%
Common	Jose Gerardo A. Medina	50/Direct	50	Filipino	0.00%
	Total		1,650		0.00%

The aggregate shareholdings of directors and officers as a group amounts to 1,950 shares.

Registrant has no voting trust holders of 5% or more of its total outstanding capital stock.

Registrant has no knowledge of any arrangements which may result in a change of control of the Registrant.

Item 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Certain Relationships and Related Transactions

See Note 20, Related Party Disclosures, of the Notes to the Consolidated Financial Statements

PART IV – CORPORATE GOVERNANCE

Corporate Governance

In order to institutionalize the principles of good corporate governance in the entire organization, the Company submitted its revised Manual on Corporate Governance to the SEC on January 28, 2011. The Company is committed to good corporate governance and continues to pursue efforts towards attaining full compliance with its Manual on Corporate Governance. Moreover, pursuant to SEC Memorandum Circular 15, Series of 2017, the Integrated Annual Corporate Governance Report (I-ACGR) of the Company for 2020 was filed with the SEC last June 29, 2021.

The Company has designated its Documentation Manager, Maria Noemi A. Aguinaldo who is tasked with monitoring compliance with the provisions and requirements of the Company's Manual on Corporate Governance.

The Company is presently developing a plan and timetable for compliance with certain leading practices and principles of good corporate governance, such as structured monitoring of compensation, benefits, succession planning and continuous training for management and key personnel on the leading practices of good corporate governance.

PART V - EXHIBITS AND SCHEDULES

Item 14. EXHIBITS AND REPORT ON SEC FORM 17-C

(a) Exhibits - See accompanying Index to Exhibits

The following exhibit is filed as a separate section of this report.

Subsidiaries of the Registrant

The other exhibits, as indicated in the Index to Exhibits, are either not applicable to the company or require no answer.

(b) Report on SEC Form 17 – C

The following current reports have been disclosed by Philippine Infradev Holdings Inc. through official disclosure letters dated:

Date	Disclosures
January 26, 2021	Material Information/Transactions- Change of office address.
March 09, 2021	Update on Corporate Actions/Material Transactions/Agreements- Update on the Share Purchase Agreement and related Agreements.
March 09, 2021	Material Information/Transactions- Execution of Term Sheet Relative to the Financing and Acquisition of Certain Lots in the Makati City Subway Project
March 11, 2021	Joint Ventures- Execution of Term Sheet Relative to the Financing and Acquisition of Certain Lots in the Makati Subway Project.

June 23, 2021	Reply to Exchange's Query- Reply to Exchange's Query for the update on the finalization and execution of the joint venture agreement and any other material developments relevant to the transaction related to our disclosure dated March 9, 2021 regarding the execution of legally binding term sheet with Richer Today, Inc. (RTI).
October 29, 2021	Notice of Annual or Special Stockholders' Meeting

(c) Reports under SEC Form 17-C as amended (during the last 6 months):

Date	Disclosures
March 10, 2021	[Amend-1] Material Information/Transactions- Execution of Term Sheet Relative to the Financing and Acquisition of Certain Lots in the Makati City Subway Project.
March 12, 2021	[Amend-1] Joint Ventures- Execution of Term Sheet Relative to the Financing and Acquisition of Certain Lots in the Makati Subway Project.

**PHILIPPINE INFRADEV HOLDINGS INC. AND SUBSIDIARY
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
SEC FORM 17 – A**

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Management’s Responsibility for Financial Statements

Report of Independent Public Accountants *Attachment*

Consolidated Balance Sheets as of December 31, 2021 and 2020 *Attachment*

Consolidated Statements of Income for the Years Ended

December 31, 2021, 2020 and 2019 *Attachment*

Consolidated Statements of Cash Flows for the Years Ended

December 31, 2021, 2020 and 2019 *Attachment*

Statements of Changes in Equity for the Years Ended December 31,
2021, 2020 and 2019 *Attachment*

Notes to Consolidated Balance Sheets *Attachment*

SUPPLEMENTARY SCHEDULES

Report of Independent Public Accountants on Supplementary Schedules

Marketable Securities – (Current Marketable Equity Securities and Other
Short-Term Cash Investments) *

A. Marketable Equity Securities, Other Long-Term Investments in
Stock, and Other Investments *

B. Amounts Receivables from Directors, Officers, Employees, Related Parties,
and Principal Stockholders (Other than Affiliates) *

C. Current Marketable Equity Securities, Other Long-term Investments in Stock, and Other
Investments*

D. Indebtedness of Unconsolidated Subsidiaries and Affiliates *

E. Intangible Assets and Other Assets *

F. Long-Term Debt *

G. Indebtedness of Affiliates and Related Parties

H. Guarantees of Securities and Other Issuers *

I. Capital Stock *

*These schedules, which are required by Part IV (e) of RSA Rule 48, have been omitted because they are either not required, not applicable or the information required to be presented is included in the company’s consolidated balance sheets or notes to the consolidated balance sheets.

**PHILIPPINE INFRADEV HOLDINGS INC. AND SUBSIDIARY
INDEX TO EXHIBITS**

SEC FORM 17 – A

Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession *

Instruments Defining the Rights of Security Holders, Including Indentures *

Voting Trust Agreement *

Material Contracts *

Annual Report of Security Holders, FORM 11 – Q or Quarterly Reports to Security Holders*

Subsidiary of the Registrant

Published Report Regarding Matters Submitted to Vote of Security Holders *

Consents of Experts and Independent Counsel *

Power of Attorney *

Additional Exhibits *

*These Exhibits are either not applicable to the company or require no answer

EXHIBIT 18 SUBSIDIARY OF THE REGISTRANT

Philippine Infradev Holdings Inc. has three consolidated subsidiaries which are wholly-owned, Interport Development Corporation, Makati City Subway, Inc. and Jiangsu Rizal Infradev Co. Ltd.

SIGNATURES

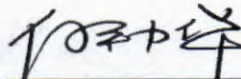
Pursuant to the requirement of Section 17 of the Code and Section 141 of the Corporate Code, this report is signed on its behalf by the issuer by the undersigned, thereunto duly authorized, in the City of Makati, on May 13, 2022.

Issuer: **PHILIPPINE INFRADEV HOLDINGS INC.**

By:

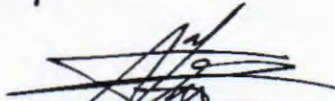
Directors/ Officers and Control Persons

Chairman of the Board



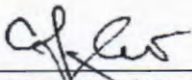
REN JINHUA

President



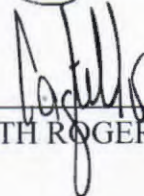
ANTONIO L. TIU

Corporate Secretary



DELFIN P. ANGCAO

Treasurer



KEINTH ROGER B. CASTILLO

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY

) S. S.

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this
_____ day MAY 13 2022 2022, affiants exhibiting to me their PRC ID and/or Passports,
as follows:

<u>Affiant</u>	<u>CTC No./ Passport No.</u>	<u>Date of Issue</u>	<u>Place of Issue</u>
REN JINHUA	H20605074	06 NOV 2020	CHINA
ANTONIO L. TIU	P5749783A	25 JAN 2018	DFA MANILA
DELFIN P. ANGCAO	44196	15FEB 2018	DFA, MANILA
KEINTH ROGER B. CASTILLO	0159133	19 APR 2020	PRC MANILA

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Book No. XV
Series of 2022

ATTY. GERVACIO B. ORTIZ JR.

Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-82-(2021-2022)
PTR No. 8852511 Jan. 3, 2022
Makati City Roll No. 40091
301 Urban Ave. Campos Rueda Bldg.
Bgy. Pio Del Pilar, Makati City

2021



**Philippine InfraDev
Holdings Inc.**

Sustainability Report

38th Floor Rufino Pacific Tower
Ayala Avenue, Makati City

CONTEXTUAL INFORMATION

Company Details	
Name of Organization	PHILIPPINE INFRADEV HOLDINGS INC.
Location of Headquarters	38th Floor Rufino Pacific Tower Ayala Avenue, Makati City
Report Boundary <i>Legal entities included in report</i>	MAKATI CITY SUBWAY INC.
Business Model, including primary activities, brands, products, and services	Philippine Infradev Holdings Inc. is a holding company. Its businesses include socialized housing development and sales. It is a majority/100% owner of Makati City Subway Inc., a corporation which was incorporated for purposes of developing and operating the intra-city subway system of Makati City.
Reporting Period	2021
Highest Ranking Person Responsible for Report	KEINTH ROGER CASTILLO

MATERIALITY PROCESS

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
The materiality of aspects of the Company's business for purposes of this Sustainability Report is determined based on the Company's direct economic and social impact on society. It excludes facts and data that are indirectly caused by the Company through services rendered by its subcontracts.

ECONOMIC

ECONOMIC PERFORMANCE

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct Economic Value Generated (Revenue)	21,278,198	PhP
Direct Economic Value Distributed:		
a. Operating Costs	43,745,093	PhP
b. Employee Wages and Benefits	10,517,950	PhP
c. Payments to Suppliers, Other Operating Costs	10,085,380	PhP
d. Dividends given to stockholders and interest payments to loan providers	20,521,296	PhP
e. Taxes given to government	4,015,894	PhP
f. Investments to Community (donations, CSR)	500,000	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
All values are generated from the direct operations of the Company.	As a holding company with major businesses in real estate, infrastructure and transportation (intra-city subway of Makati City), it impacts the economic society in general by way of generating steady income growth, offering quality standards in building residential and commercial projects to provide better homes and lifestyle, and contributing to the government in the form of taxes. Moreover, the Company also contributes in creating either direct or indirect job opportunities and providing employees with a stable and productive work environment. By building a subway, people would be given more options in the mode of transportation	The Company operates under the guiding policy of generating more sales at less cost, without prejudice to the community and its stakeholders.
What are the risks identified? At present, the business of the Company is anchored on sales of its housing projects. The subway project is at its pre-construction stage. The Company considers the risks brought by the global and local market fluctuations. Interest rates, inflation rates, change demographics and economic trends contribute to the state of the real estate and infrastructure market. The Company's inability to		Management Approach The Company strives to maintain strong business relationships with its contractors and suppliers to streamline and improve processes without compromising quality and standards. Any mishaps and disagreements could risk potential increase in costs and delays in the project.

<p>anticipate and cope with the fluctuations could negatively affect the Company's operations and customer service.</p> <p>The Company recognize that the successful completion of our forthcoming project on infrastructure and transportation is heavily dependent on third-party suppliers and contractors.</p>	<p>which would progressively create accommodating spaces that are people-oriented as well as pedestrian-friendly.</p> <p>Employees, Government, Stockholders, Suppliers</p>	
<p>What are the Opportunities identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>The Company sees the opportunity to continue to develop lands considered to be viable and marketable. The development of these lands could either be a direct acquisition or a joint venture agreement. The management will continue to assess the profitability of future projects which will enhance the Company's real estate portfolio.</p> <p>In addition, as the Company ventures into building one of the country's first subway, we see opportunities to continue to improve the modes of public transit in the country. Once the subway proves to meet the expected effectiveness and efficiency, the Company will pursue to grow its infrastructure and transportation projects thereby creating more job opportunities in the country.</p>	<p>These opportunities are envisioned to directly impact the community and suppliers alike.</p>	<p>The Company is continuously exploring land areas for development.</p> <p>As regards its subway project, the Company is poised to aggressively complete the project within the original completion period.</p>

□

Climate-Related Risks and Opportunities

The Company, including the Board, acknowledges that climate-related risks and opportunities are present in the operations of its ventures. We are already experiencing the substantial impact of climate change and we understand that we will continue to be impacted by climate-related events in the long term. Extreme climate-related events can cause severe damage on our real estate properties and infrastructure thereby leading to maintenance and repair costs and might even decrease the value of the properties or render them unusable. Likewise, potential business disruptions such as destroyed road infrastructure can also significantly affect the Company.

Over the short and medium term, climate related risks would be lost or delayed business profits in the event of project turnover delays caused by fortuitous events. The potential impacts of the risks identified would translate to lesser revenues. In the long term, the identified climate related risk is depreciation of land or market's inability to purchase investments in property.

The Company, however, has yet to create a framework to accurately assess and manage the Company's exposure to climate-related risks and opportunities. Understanding the risks and opportunities is the first essential step in building the framework and we are still working on completing this. We are working to incorporate this in our enterprise risk management to create a complete framework that would be able to quantify climate-related financial impacts and direct effects to the company. The aim is also to develop effective and resilient strategies and responses to ensure business continuity and reduce financial losses in different climate-related scenarios.

At present, the rudimentary form of governance the Company takes is: (1) Management's role in the scheme of climate-related matters is to bring to the board any and all potential risks. Management exercises overseeing functions to ensure that projects are delivered on time. Where the actual progress falls by a significant margin, it implements stop-gap measures, where warranted. Otherwise, the matter is elevated to the board. (2) The board's projections always take into consideration the possible costs and expenses that may be brought about by climate related risks. Costs and expenses are assessed using the costs of delay, lost business, and/or costs of reparation or making good damage to the Company's property.

□

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	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The impact occurs in the primary business operations of the company.	By spending 100% procurement on local suppliers and contractors, the Company contributes to the growth of the country's economy and increases the local competition which makes the market healthier as well as decreasing the unemployment rate. The higher local purchases are, the more job positions require. Local procurements positively affect not only the suppliers or contractors and their employees and business partners, but also the local and national governments by way of paying mandatory taxes related to the operation of such entities including the Company.	<p>The Company understands the opportunities and advantages brought by local procurements as well as the related risks that might affect the current overall impacts, positions and performances of the Company.</p> <p>Focusing on the local procurements shorten the supply chains that eliminate or at least minimize issues related to the availability of the materials and the timeliness of the delivery which helps the Company in achieving its target date of project completion. We appreciate the positive effects of having a local supplier and contractors like reduction in cost, accessibility for technical support and easier to resolve any conflict related to the arrangement or contract agreement. Moreover, the Company realizes that there is greater control in terms of identifying the quality of service that a local supplier may bring to our business by conducting a site visit to</p>

		<p>assess the supplier’s quality assurance program and evaluate their production facility directly.</p> <p>Despite having no existing written policy on the supplier and contractor selection procedure, the Company sets specific parameters and standards in choosing and assessing our contractors and suppliers to mitigate the risks to be involved or engaged with suppliers or contractors with going concern issues and lack of permits to operate business. Part of the Company’s procurement process is the pre-qualification stage in which we assess the information provided by the contractors and suppliers and corroborate with the available public information. One of the important factors we consider in choosing a supplier and contractor is the quality of service and its ability to operate a business by way of providing the Company the necessary information like business permits and certificate of registration and conducting a site visit.</p>
What are the risks identified?	Which stakeholders are affected?	Management Approach
Risks identified in sourcing locally are the financial consequences of the same. There are many other cheaper alternatives for the Company’s supplies.	This identified risk translates to business costs which inevitably impact the financials of the Company.	In engaging with local suppliers, the Company actively looks for suppliers with competencies. This way, the prices that they are able and willing to give will be at par with those available abroad.
What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
NA	NA	NA

ANTI-CORRUPTION

Training on Anti-Corruption Policies and Procedures

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>Impact occurs both in the primary business operations and in the supply chain.</p> <p>In the general scheme of things, the areas where corruption may possibly occur are many, ranging from the company being a recipient (from suppliers) to the company being the giver.</p>	<p>The Company recognizes that corruption affects not only the Company, but also its stakeholders. Employees will be demoralized and the interests of the general public will be prejudiced.</p> <p>Also, the Company's shareholders will suffer the consequences of corruption, as this will inevitably bring costs of doing business higher.</p>	<p>The Company anchors its operations on a policy against corruption.</p> <p>Guided by the principles of integrity, honesty, transparency, and accountability, the Board sets the ethical standards in the Company. Along with company management, the Board is committed in making a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. The management implements and consistently monitors compliance with the Company's Code of Conduct. In accordance with the Company's Code of Discipline, the appropriate disciplinary actions will be meted to erring employees, officers, and directors.</p> <p>These policies are directly communicated and reiterated to all corporate</p>

		<p>actors and personnel. Suppliers are likewise apprised of this policy.</p> <p>Policies related to anti-corruption such as Whistleblowing and Insider Trading Policies are publicly available in the Company's website for everyone's reference.</p> <p>Fortunately, no employee, officer or director has been sanctioned for corruption. The Company aims to maintain this by retaining its culture of integrity which the top-level management needs to be committed to. Aside from regularly communicating anti-corruption policies and conducting anti-corruption trainings to employees, the Company believes in setting an example by doing. Employees will inevitably follow the management's example.</p> <p><i>What policies, commitments, goals, targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p>
<p>What are the risks identified?</p>		<p>Management Approach</p>
<p>NA</p>		<p>The Company manages corruption risks through its audit committee. The Committee looks into susceptible areas of corruption and checks whether there are effective controls will also prevent corruption from occurring in the company.</p>

What are the Opportunities identified?	Management Approach
NA	NA

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The impact would occur either in the supply chain of the Company or in the primary business of the Company. In the former, the Company's role, if any, would be as a recipient of favors. In the latter, the Company's role, if any, would be the giver or the one initiating the corruption.	Aside from the Company's shareholders, the stakeholders affected by any incident of corruption will be: <ol style="list-style-type: none"> 1. The employees, who may be demoralized; 2. The community where the Company is doing business, as any corruption will inevitably be to the prejudice of their interests 	Guided by the principles of integrity, honesty, transparency, and accountability, the Board sets the ethical standards in the Company. Along with company management, the Board is committed in making a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. The management implements and consistently monitors compliance with the Company's Code of Conduct. In accordance with the Company's Code of Discipline, the appropriate disciplinary actions will be meted to erring employees, officers, and directors. The Company strictly implements its anti-corruption policies, and encourages reporting through its whistleblowing policies.
What are the risks identified?		
NA		
What are the Opportunities identified?		
NA		

ENVIRONMENT

RESOURCE MANAGEMENT

Energy Consumption within the Organization

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0 B	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	905 M	GJ
Energy consumption (electricity)	650,365	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The impact occurs in the primary business of the Company.	Employees are the most affected.	The Company is being operated at efficiency in terms of energy consumption.
What are the risks identified?	Which stakeholders are affected?	Management Approach
Risks identified are disruption of operations in the event of intermittent or failure of supply of electricity.	Clients will be most affected in the event of the happening of the risk identified. Employees will likewise be unable to work.	NA
What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
The Company foresees an increase in recorded energy consumption in the future when the subway system of the Company is operational.	The Makati community will be most affected by the opportunity identified.	The Company is looking to invest in energy-efficient facilities.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	m ³
Water consumption	245	m ³
Water recycled and reused	0	m ³

<p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>Impact occurs in the primary business operations of the Company.</p> <p>Recorded water consumption refers to water consumption in the direct operations of the Company only. Water consumption of contractors in the construction sites are not considered.</p>	<p>Stakeholders affected are the employees.</p>	<p>The Company ensures that its employees are taking necessary steps to conserve water consumption. This is consistently being emphasized during Company meetings.</p>
<p>What are the risks identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>NA</p>	<p>NA</p>	<p>NA</p>
<p>What are the Opportunities identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>NA</p>	<p>NA</p>	<p>NA</p>

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Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	0	kg/liters
• non-renewable	5,000,000	Kg
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Impact occurs in the primary business of the Company, especially in its construction activities for its housing projects.	The stakeholders most affected by this impact are the suppliers. The impact to employees is secondary.	Management is always on the lookout for alternative sources of materials for its building works. For any change in the materials used to be effected in the organization, however, the materials must meet the qualifications and specifications; so any change on this front is slow.
What are the risks identified?	Which stakeholders are affected?	Management Approach
Materials used by the Company must at all times be quality and durable. These materials (cement, steel) are mostly non-renewable. An unavailability of this material, or an unforeseen increase in prices of these materials, is seen to affect the business of the Company.	The stakeholders most affected by unavailability of materials will be the Company's clients and suppliers. In the event of unforeseen increase in prices, the effect would be most felt by the Company; secondarily, its employees.	It is management policy to secure the best price and look for quality building material alternatives to the traditional.
What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
NA	NA	NA

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

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	1	
Habitats protected or restored	None	ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	None	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>During the construction phase, removal of vegetation which will lead to habitat loss and/or reduction is expected to be very minimal and short term. The project site, given its location, past disturbances, and current development is already degraded and fragmented in terms of habitat condition. The vegetation in the project site consists mainly of fast-growing exotic species which are readily and commonly available in the surrounding areas of the project site. This is also the case of aquatic life and habitat adjacent to the proposed alignment.</p> <p>The Company will determine the commencement of project implementation and will provide direction to the overall arrangement of project. Thus, the abovementioned impact is linked to the actual business operation of the Company.</p>	Communities along the alignment, Local Government Units	<p>Applicable scientific and administrative measures will be implemented for prevention, mitigation, or enhancement.</p> <p>Terrestrial Ecology</p> <ul style="list-style-type: none"> • Avoid unnecessary cutting of vegetation • Inventory of biota and riparian zone as basis for species and volume replacement • Compensate through planting indigenous tree species suitable in the area <p>Aquatic Ecology</p> <ul style="list-style-type: none"> • Adequate positioning of stockpile areas away from river/creek • Road-bank soil erosion prevention/minimization (use of biological or non-biological structures)
What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>Terrestrial Ecology</p> <ul style="list-style-type: none"> • Vegetation loss • Removal of economically and ecologically important species • Habitat fragmentation 	Communities along the alignment, Local Government Units	<p>Applicable scientific and administrative measures will be implemented for prevention, mitigation, or enhancement.</p> <p>Proper compensation for affected trees.</p>

<p>Aquatic Ecology</p> <ul style="list-style-type: none"> • Destruction or disturbance of aquatic life due to works in rivers. • Degradation of aquatic habitat, species decline 		<p>Replanting/replacement of vegetation in accordance with DENR policy.</p>
<p>What are the Opportunities identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>Possible rehabilitation and enhancement on the areas where the project is located.</p>	<p>Communities along the alignment</p>	<p>Enhancement measures through partnerships with concerned stakeholders.</p>

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ENVIRONMENTAL IMPACT MANAGEMENT

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	Unidentified	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	50,000.00 (Annual)	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	Unidentified	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>GHG emissions of the project are significant during construction period only due to operation of heavy equipment and vehicles using diesel-engines. During operation, the project is expected to significantly offset GHG emissions due to reduction on use of motor vehicles by commuters.</p> <p>The Company will determine the commencement of project implementation and will provide direction to the overall arrangement of project. It will also choose the contractor to the civil works. Thus, the abovementioned impact is linked to the actual business operation of the Company.</p>	<p>Workers, community, vulnerable groups, individuals with activities along the project site,</p>	<p>Administrative and Engineering measures will be implemented during construction and operation phase of the project</p> <ul style="list-style-type: none"> • Prepare and implement a GHG emissions accounting program in accordance with international standards, such as those of the developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD). This protocol sets the global standard to measure, manage, and report greenhouse gas emissions. • Minimize idling time by shutting equipment off when not in use or reducing the time of idling to not more than 3 minutes. • Use of use heavy equipment and trucks that are fuel efficient, • Optimize use of vehicles and heavy equipment, • Optimize lighting at workplaces, access

		<p>roads, and inside the tunnel,</p> <ul style="list-style-type: none"> • Optimal use of materials, i.e., recycling of steel, particularly those salvage during demolition works, • Maintain all construction equipment in accordance with the manufacturer's specification, and • Use of compact fluorescent bulbs and reduce consumption of electricity at workplaces;
What are the risks identified?	Which stakeholders are affected?	Management Approach
<ul style="list-style-type: none"> • Increase in GHG emissions could pose adverse impacts on human health 	Workers, community, vulnerable groups, individuals with activities along the project site,	Administrative and Engineering measures will be implemented during construction and operation phase of the project
What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
<ul style="list-style-type: none"> • During the operation phase, the Project is expected to reduce 320,401 MTCO₂e of GHG per year. This will reduce the emission contribution of the transportation sector 0.6% and the country's emission by 0.2%. 	General Public	<p>Strict implementation of administrative and engineering measures.</p> <p>Observe compliance to related-environmental laws and policies.</p>

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Air Pollutants

Disclosure	Quantity	Units
NO _x	181.606	kg
SO _x	0.126	kg
Persistent organic pollutants (POPs)	To be determined	kg
Volatile organic compounds (VOCs)	Unidentified	kg
Hazardous air pollutants (HAPs)	Unidentified	kg
Particulate matter (PM)	82.847	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>During the construction phase, it is expected that there will be a change in TSP, SO_x, NO_x, PM 2.5 and PM 10 levels in air.</p> <p>The Company will determine the commencement of project implementation and will provide direction to the overall arrangement of project. It will also choose the contractor to the civil works. Thus, the abovementioned impact is linked to the actual business operation of the Company.</p>	<p>Workers, community, vulnerable groups, individuals with activities along the project site,</p>	<p>Administrative and Engineering measures will be implemented during construction and operation phase of the project</p> <p>Air Quality</p> <ul style="list-style-type: none"> Regular sprinkling of water along the access road during dry season. Impose speed limits in construction area. Observe maintenance of construction equipment Use of good quality fuel to reduce SO_x and NO_x emissions Regular air quality monitoring Noise barriers & planting trees/vegetation on stations and strategic locations. <p>Noise</p> <ul style="list-style-type: none"> Use of mufflers and exhaust silencers Periodic inspection and maintenance of equipment Construction works should be done during daytime only
What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>Increase in air pollutants level in the air could pose adverse impacts on human health</p>	<p>General Public</p>	<p>Administrative and Engineering measures will be implemented during construction and operation phase of the project</p>

What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
During operation, the project is expected to significantly offset these air pollutants to reduction on use of motor vehicles by commuters.	General Public	<ul style="list-style-type: none"> • Strict implementation of administrative and engineering measures. • Observe compliances to related-environmental laws and policies. • Delivery of efficient transport system

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generate	To be identified	kg
Reusable	To be identified	kg
Recyclable	To be identified	kg
Composted	To be identified	kg
Incinerated	NA	kg
Residuals/Landfilled	430000	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>Construction activities may generate various types of solid waste, including debris from clearing activities, cut soil, building waste, construction debris, and domestic waste and recyclables from the construction camp.</p> <p>The Company will determine the commencement of project implementation and will provide direction to the overall arrangement of project. It will also choose the contractor to the civil works. Thus, the abovementioned impact is linked to the actual business operation of the Company.</p>	Community, Workers, Local Government Unit	A Construction Waste Management Plan will be prepared and implemented. The Construction Waste Management Plan will focus on the waste management hierarchy of avoid, reuse, recycle, and disposal, and will be disseminated and explained to all construction personnel of the Project.
What are the risks identified?	Which stakeholders are affected?	Management Approach

<p>Soil contamination within the on-going construction area</p>	<p>Workers, Community, Local Government Unit</p>	<ul style="list-style-type: none"> • A Construction Waste Management Plan will be prepared and implemented. The Construction Waste Management Plan will focus on the waste management hierarchy of avoid, reuse, recycle, and disposal, and will be disseminated and explained to all construction personnel of the Project. • Contaminated soils should be disposed in a treatment, storage, and disposal facility, consistent with the requirements of Republic Act 6969.
<p>What are the Opportunities identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>Cut soil may be sold, donated to individuals or companies requiring backfill, or may be used as soil cover in landfills.</p>	<p>Project Proponent, Community, Local Government Unit</p>	<p>Transportation of wastes adherent to concerned environmental laws.</p>

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Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Unidentified	kg
Total weight of hazardous waste transported	To be identified	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>During construction, heavy equipment will need fuel and lubricants for proper functioning. These may contain hazardous substances that may seep through soils, bodies of water and may possibly enter human body through various medium.</p> <p>The Company will determine the commencement of project implementation and will provide direction to the overall arrangement of project. It will also choose the contractor to the civil works. Thus, the abovementioned impact is linked to the actual business operation of the Company.</p>	Community, Workers, Local Government Unit	<p>Administrative and Engineering measures will be implemented during construction and operation phase of the project</p> <p>A Toxic and Hazardous Waste Treatment and Disposal Facility will be established to take care of hospital wastes, service facilities, and industrial wastes containing toxic and hazardous wastes. Moreover, a third party which is a DENR-registered hazardous waste disposal partner can be tapped.</p>
What are the risks identified?	Which stakeholders are affected?	Management Approach
Change in physicochemical characteristics of the river and soil. (TSS, TDS, Oil and Grease, and Heavy Metals)	Community, Workers, General Public	<p>Administrative and Engineering measures will be implemented during construction and operation phase of the project</p> <p>Any generated hazardous wastewater such as used oil should be properly stored in drums or storage units and then disposed off through a third-party disposal earth materials</p>
What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
There will be more systematic arrangement for disposal of hazardous waste upon identification of its presence.	Community, Workers, Local Government Unit	Implementation of effective Waste Management System adherent to concerned environmental laws.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	To be determined during construction, limited to domestic water and maintenance during operations phase	Cubic meters
Percent of wastewater recycled	To be determined during construction, limited to domestic water and maintenance during operations phase	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The construction of the subway and the TODs will generate storm water runoff and sanitary wastewater streams.</p> <p>The Company will determine the commencement of project implementation and will provide direction to the overall arrangement of project. It will also choose the contractor to the civil works. Thus, the abovementioned impact is linked to the actual business operation of the Company.</p>	Community	Engineering measures will be implemented during operation of the project. Stormwater runoff from the site will be collected by an onsite drainage system. If deemed necessary, collected stormwater will be treated prior to discharge to nearby creeks. Effluent from the subway stations and various establishments in the TODs will be treated as required to ensure compliance with the DENR Administrative Order 2016-08 General Effluent Standards prior to discharge to public sewers or surface waters.
What are the risks identified?	Which stakeholders are affected?	Management Approach
Existing water bodies will be used as the collection site for stormwater runoff.	Community	Administrative and Engineering measures will be implemented during the operation phase of the project
What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
Creation of two different collection systems for storm water runoff and sanitary wastewater streams to reduce the volume of wastewater requiring treatment.	Community	Strict compliance with the DENR Administrative Order 2016-08 General Effluent Standards prior to discharge to public sewers or surface waters.

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	NA	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	NA	#
No. of cases resolved through dispute resolution mechanism	NA	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
NA	The Company as project proponent	Strict compliance with environmental laws and conditions stated in the ECC. Designation of an Environmental Unit/Pollution Control Officer with appropriate training and certification to implement and monitor Environmental Compliance
What are the risks identified?	Which stakeholders are affected?	Management Approach
In case of violation, progress on project implementation and operation may be affected.	Project Proponent	Strict compliance with environmental laws and conditions stated in the ECC.
What are the Opportunities identified?	Which stakeholders are affected?	Management Approach
Imposition of fines for any violation will create an atmosphere of being compliant with what is required for any activity. Thus, it will generally pave a way for a project with much consideration on environmental integrity.	Project Proponent	Strict compliance with environmental laws and conditions stated in the ECC.

SOCIAL

EMPLOYEE MANAGEMENT

Employee Hiring and Benefits**Employee data**

Disclosure	Quantity	Units
Total number of employees	25	
a. Number of female employees	11	#
b. Number of male employees	14	#
Attrition Rate	4%	Rate
Ratio of lowest paid employee against minimum wage	1.23:1	Ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	0.00%	7.14%
Philhealth	Y	0.00%	7.14%
Pag-Ibig	Y	No data available	No data available
Parental leaves	Y	0.00%	0.00%
Vacation leaves	Y	90.91%	92.86%
Sick leaves	Y	90.91%	92.86%
Medical benefits (aside from Philhealth)	Y	90.91%	92.86%
Housing assistance (aside from Pag-ibig)	N	0.00%	0.00%
Retirement fund (aside from SSS)	N	0.00%	7.14%
Further education support	N	0.00%	0.00%
Company stock options	N	0.00%	0.00%
Telecommuting	Y	90.91%	92.86%
Flexible working hours	Y	36.36%	35.71%
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company's employees may be said to be divided into two categories, those field personnel found in the Company's project sites; and those office personnel. Other than the place where the employees report	Recognizing the importance of personnel in the Company, the Company: <ol style="list-style-type: none"> 1. Regularly evaluates its compensation and benefit packages to ensure competitiveness of the same, and its

<p>for work, no substantial difference exists between the two types.</p> <p>These employees are important to the business of the Company.</p>	<p>relevance, taking into consideration inflation and market fluctuations.</p> <ol style="list-style-type: none"> 2. Is committed to ensuring the welfare of each of its employees. Aside from the vacation and sick leave benefits, the Company provides free healthcare benefits to all permanent employees which include both in-patient (hospital confinement), out-patient (consultations) and dental services. 3. Provides safe working conditions for its employees. <p>Part of the Company's initiatives is to advocate use by employees of their vacation leaves, to prevent burnout among its employees.</p>
<p>What are the risks identified?</p>	<p>Management Approach</p>
<p>Risks identified include voluntary separation of employees due to perceived "greener opportunities" outside the Company.</p>	<p>To address this concern, management keeps an open line of communication with its personnel. Communication is designed to be informal, to promote a spirit of camaraderie among the ranks.</p> <p>The Company recognizes that financial matters are not the only consideration in the employees' decision to stay with the Company. Thus, it organizes employee activities geared towards building a vibrant community of friendship and family.</p>
<p>What are the Opportunities identified?</p>	<p>Management Approach</p>
<p>NA</p>	<p>NA</p>

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Employee Training and Development

Disclosure	Quantity	Units
*Total training hours provided to employees		
a. Female employees	8	Hours
b. Male employees	24	Hours
*Average training hours provided to employees		
a. Female employees	8	Hours/employee
b. Male employees	8	Hours/employee

* Training seminars offered by outside parties

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Impact occurs at the level of business operations of the Company. The trainings subscribed to by the Company are those trainings having significance to the employees' line of work/scope of responsibility. This way, the Company's operations and business are kept abreast.	Management keeps an open line of communication. It considers suggestions/recommendations made by employees concerning the choice of trainings to be attended.
What are the risks identified?	Management Approach
NA	NA
What are the Opportunities identified?	Management Approach
At present, the Company relies on third party providers in the provision of training to its personnel. While enriching, trainings may be maximized if the learnings are tailor fitted to the peculiar and specialized needs of the business, and these are cascaded to all concerned.	The Company is keen on exploring the possibility of establishing in-house training programs for its employees in the near future. The Company's HR department intends to research, plan, and collaborate with each department to create effective and creative training programs.

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Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered by Collective Bargaining Agreements	NA	%
Number of consultations conducted with employees concerning employee-related policies	1	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company has no labor union or a collective bargaining agreement with its employees.	<p>The absence of a labor union or a CBA notwithstanding, the Company makes it a policy to ensure that the grievances and opinions of its employees concerning labor policies are heard. This is achieved through biannual consultations with employees.</p> <p>To apprise employees of existing policies, they are regularly updated of the same. In general, the Company expects its employees to refrain from any activity that may interfere with or run in conflict with their work or jeopardize the Company's interest.</p> <p>The Company focuses on the following points related to its employees, directors and management:</p> <p><u>1. Compliance with Laws and Regulations.</u> Directors, officers and employees shall uphold right conduct and shall personally adhere to the norms and restrictions imposed by applicable laws, rules and regulations. They shall not accept demands brought on by prevailing business conditions or perceived pressures as excuses to violate any law, rule or regulation.</p> <p><u>2. Respect for Trade Secrets/Use of Non-public Information.</u> Directors, Officers and employees shall maintain and safeguard the confidentiality of information entrusted by the Company, customers, business partners or such other parties with whom the Company relates, except when disclosure is authorized or legally mandated. They should not trade the company's securities using price available publicly, and obtained by reason of position,</p>
What are the risks identified?	
NA	
What are the Opportunities identified?	
NA	

	<p>contact within, or other relationship with the Company.</p> <p><u>3. Use of Company Funds, Assets and Information.</u> Directors, Officers and Employees shall use company property and resources including company time, supplies and software, efficiently, responsibly and only for legitimate business purposes only. They shall safeguard company assets from loss, damage, misuse or theft and shall respect intellectual property rights.</p> <p><u>4. Employment & Labor Law & Policies.</u> Employment in the Company signifies willingness and commitment to perform according to standards set by management and to abide by all the policies and procedures as well as rules and regulations of the Company. The Company has an Employees' Manual of Policies and Procedures which provides for employee rights, obligations and sets policies on employee-related matters to ensure uniformity and consistency in the interpretation and implementation of Human Resources Policies and Programs, which are consistent with and in accordance with relevant provisions of the Labor Code.</p>
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Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	44	%
% of male workers in the workforce	56	%
Number of employees from indigenous communities and/or vulnerable sector*	NA	#

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).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The impact occurs in the primary business operations of the Company. As the entity with control over who to hire, the Company has a hand in maintaining diversity in the workplace, to ensure maximized productivity and workflow from different perspectives and skill sets.	<p>The Company believes in the importance of diversity in the workplace. A diverse workforce results in maximized productivity and workflow as employees with differing perspectives and skills will naturally deliver better ideas and solutions. It also promotes inclusion and positivity. Creating an environment where employees are comfortable with themselves leads to happier and motivated employees.</p> <p>The Company ensures to employ a workforce comprised of individuals of varying age, religion, gender, cultural background, education, and other attributes. We achieve this by offering equal opportunities to our applicants. We do not discriminate in our hiring process. We objectively select from applicants based on their experience, character, and their qualifications for the job.</p>
What are the risks identified?	Management Approach
NA	NA
What are the Opportunities identified?	Management Approach
NA	NA

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Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	0	Man-Hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The impact occurs in the primary business operations of the Company.	The Company participates in the fire and earthquake drills organized and/or initiated by the local government and/or building administration during the previous years except this year due to the pandemic.
What are the risks identified?	Management Approach
Risk of injury is identified at the site, but this risk is very minimal to none. The employees are tasked only to oversee and supervise the work of the Company's contractors.	NA
What are the Opportunities identified?	Management Approach
NA	NA

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Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

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

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Impact may occur either in the primary business operations or at the level of contractors with whom the Company contracts.	Management adopts a policy that hires only persons of sufficient age. Suppliers and contractors are made to undertake compliance with existing labor laws.
What are the risks identified?	Management Approach
Legal risks in the event of litigation	Strict adherence with and compliance of labor laws.
What are the Opportunities identified?	Management Approach
NA	NA

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Supply Chain Management

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

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human Rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The impact occurs in the supply chain of the Company.	<p>To date, the Company places emphasis on the quality of products that are supplied to it. Its due diligence over its suppliers, centers on this matter. This emphasis is grounded on the type of industry to which the Company belongs.</p> <p>Notwithstanding the fact that the Company has no formal supplier accreditation policy and even if it does not check the sustainability topics enumerated above, its contracts with suppliers are always entered into with the premise that these suppliers are and will be compliant with existing labor and environmental laws and regulations. These are made warranties, violation of which gives rise to adverse legal consequences.</p>
What are the risks identified?	Management Approach
Risks identified are the possible delays that may happen in the event the suppliers are found to be in violation of existing laws and regulations.	The Company's contracts with suppliers are non-exclusive, giving the Company room for remedial action in the event the identified risk occurs.
What are the Opportunities identified?	Management Approach
The Company recognizes the benefits afforded by the existence of a supplier accreditation policy.	The Company is studying how the adoption of a supplier accreditation policy can be integrated into its business operations.

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Relationship with Community

Significant Impacts on Local Communities

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)
Fiesta Casitas	Barangay Tatala, Binangonan	NA	N	NA	The Projects are job-generating. To the community, quality and affordable housing is made available and accessible. We also contribute to taxes collectible by the city government.
Sunshine Fiesta	Barangay Tatala, Binangonan	NA	N	NA	
Casas Carlina	Barangay Tatala, Binangonan	NA	N	NA	
Casas Bauhinia	Barangay Mahabang Parang	NA	N	NA	
Makati intra-city subway	Makati	NA	N	NA	The Project is still in its pre-construction stage. Impact(s) that may affect communities may suffer are being studied.

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 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 applicable:

Certificates	Quantity	Units
FPIC process is still undergoing	NA	#
CP secured	NA	#

What are the Risk/s Identified?	Management Approach
NA	NA
What are the Opportunity/ies identified?	Management Approach
NA	NA

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Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction (Y/N)?
Customer satisfaction	NA	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>The Company's involvement with customers occur in the course of performing its business operations.</p> <p>Customer satisfaction is directly linked with the quality and timeliness of turnover of the Company's products (housing) to buyers. The quality of products turned over to customers, in turn, has links with the Company's contractors and suppliers.</p>	<p>The Company implements a system of checks and lists to ensure quality turnover to it of products submitted by its contractors.</p> <p>The Company also implements a similar system of checks and lists for its customers to go over when they accept the Company's products. Reasonable and valid customer concerns and requests are documented and endorsed for further action.</p>
What are the risks identified?	Management Approach
<p>The risk identified is the possibility of business losses or additional expenses incurred in making good defective products that may be turned over to the Company by its contractors. Delayed turnover is also a risk inherent in the business of the Company.</p>	<p>The Company has been consistent in making good its promise to deliver affordable but quality housing to its customers. There are set standards that must be met, which standards are non-negotiable before the Company turns over its products to its customers.</p> <p>The Company, through its site personnel, consistently evaluates and ensures the quality of the product of its contractors.</p>
What are the Opportunities identified?	Management Approach
NA	<p>While no opportunities have been identified, the Company is always on the lookout for cost effective means of ensuring customer satisfaction.</p>

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Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	NA	#

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.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The impact occurs at the level of sale of the housing units until a few fifteen years later. It occurs as a result of the primary business of the Company. The impact, if any, will be caused by the quality of products turned over to the Company by its contractors.	To manage risks associated with this, the Company deals only with licensed professionals for the plans that it needs. It also requires its contracts with the contractors to specify the quality of work needed for a particular project.
What are the risks identified?	Management Approach
The risks identified are monetary loss in making good a substandard product and reputational damage.	Strict quality assurance procedures prior to acceptance of turnover of project. Aside from this, contracts with contractors have provisions concerning liabilities.
What are the Opportunities identified?	Management Approach
There may be more time-efficient ways to guarantee quality.	The Company explores other methods of quality assurance that can supplement existing procedures, to ensure efficiency in its business operations.

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Marketing and Labeling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

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.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The impact occurs at the level of sale of the housing units, which is the primary business of the Company. The impact, if any, will be caused by the quality of products turned over to the Company by its contractors.	To manage risks associated with this, the Company requires its contracts with the contractors to specify the quality of work needed for a particular project.
What are the risks identified?	Management Approach
Monetary loss in making good a substandard product	Strict quality assurance procedures prior to acceptance of turnover of project. The Company also does not oversell; it only markets what it is able to deliver.
What are the Opportunities identified?	Management Approach
There may be more time-efficient ways to guarantee quality.	The Company explores other methods of quality assurance that can supplement existing procedures, to ensure efficiency in its business operations.

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Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	NA	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

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.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customers' data come from loan buyers' information, loan application, identification cards, and relevant data submitted to the Company.	The Company submits these data to the relevant government agency, <i>i.e.</i> , Pag-ibig, Bureau of Internal Revenue, for the processing of customers' product purchases. It does not share or use these data for purposes other than those mentioned.
What are the risks identified?	Management Approach
The Company does not share or disclose customers' data to third persons other than for purposes of processing buyers' loan applications and/or property takeout requirements. While it retains control over data while the same is in its possession, it does not have control over data submitted and/or released to the offices the Company transacts with, <i>i.e.</i> , Bureau of Internal Revenue, Register of Deeds, Pag-ibig.	Considering that the data are submitted only to government agencies/offices and only for purposes of processing the documentary requirements of transfers of property, the Company sees no/minimal risk of violation of the customers' privacy rights.
What are the Opportunities identified?	Management Approach
NA	NA

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Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company collects and stores physical and digital copies of personal data from clients. The Company also keeps copies of supplier contracts, confidential agreements, plans, and documents related to the Company's projects and ventures.	The Company ensures that physical and digital data security measures are in place to prevent any data breaches.
What are the risks identified?	Management Approach
Data breaches from leaks, thefts and losses of data can result to reputational damage, legal action, financial losses, and operational downtime.	Physical data are held only by personnel in charge of processing the same for transmittal to the relevant government offices, i.e., BIR, HLURB, Pag-ibig. Controls such as locked cabinets and safes are also used to secure physical data. The Company's IT personnel is responsible in ensuring that any digital data the Company receives and sends are secured. Antivirus software is installed in employees' computers as protection from malware and phishing. The Company also uses a secured email system are used as digital data security controls. Data that are no longer needed are ensured to be disposed of securely and permanently.
What are the Opportunities identified?	Management Approach
New physical and digital safety measures available are being explored by the Company to further enhance data security.	The Company conducts frequent checking of safety measures and controls in place to ensure that these are still effective and to identify potential weaknesses. New solutions to strengthen data security are carefully being considered by the Company.

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UN SUSTAINABLE DEVELOPMENT GOALS

PRODUCT OR SERVICE CONTRIBUTION TO UN SGDS

Key products and services and its contribution to sustainable development

Key Products and Services	Societal Value / Contribution to UN SGDs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Intra-city subway	Industry, innovation and infrastructure	Displacement of some inhabitants in affected areas	In partnership with the local government, the Company has provisions for relocation.
Housing	Reduced inequalities	Disturbance in vegetation in the area	The Company conducts tree-planting in targeted areas within the project.
Housing	Good health and well-being	Disturbance in vegetation in the area	The Company conducts tree-planting in targeted areas within the project.

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