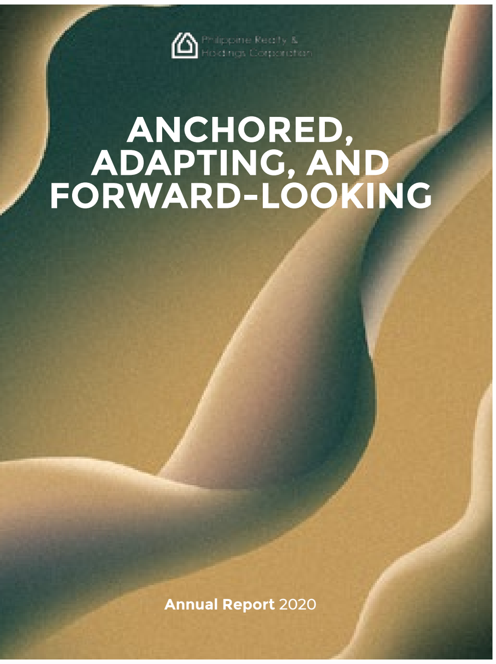
Philippine Realty & Holdings Corporation

ANCHORED, ADAPTING, AND FORWARD-LOOKING

Annual Report
2020

ABOUT THE COVER

The cover for this year's Philippine Realty and Holdings Corporation (the "Company", "PhilRealty", PSE: RLT) annual report highlights the company's journey in navigating 2020. During a year of great and unprecedented upheaval, the Company has proven that it can adapt to a fast-changing world by staying true to its values and goals. New beginnings, symbolized by hopeful green shades and fluid shapes on the cover, show PhilRealty's developing business and management practices in light of the past year.
To complement the verdant shades, this year's cover also features gold accents, exemplifying PhilRealty's commitment to sustain its long legacy of luxury real estate and its trademark name in the industry.



A year of challenges has proven Philippine Realty and Holdings Corporation to be a stable business, able to remain constant in providing excellent service to its consumers, implementing commendable management practices for its corporate workforce, and ensuring reliable growth for its highly regarded shareholders. The Company has also been able to assure the health and safety of key stakeholders and is ready to once again resume work on its legacy projects.

In the years to come, shaped by what was learned from the COVID-19 pandemic and its repercussions, PhilRealty will hone its business strategy into one that is anchored in maintaining quality service, adaptive to changing global trends, and forward-thinking with luxury living.

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VISION

A premium property development and holdings company in the Philippines delivering superior shareholder value.

MISSION

We are committed to providing individuals, families and businesses premium and high-end residential condominiums, offices, commercial spaces, master-planned townships and leisure developments in the Philippines using best-of-class, grade-A materials, top-of-the-line fixtures, latest and state-of-the-art equipment and facilities.

We aim at all times to give a continuing, equitable and fair return to our shareholders and excellent customer value, at the same time, give just and equitable compensation to our officers and employees.
We do not believe in gains made by taking unfair advantage of others nor do we sacrifice long-term objectives for short-term profits. We value enduring relationships with our stakeholders.

We create spacious living in intimate communities, combining aesthetics with functionality while preserving the environment. We affirm our duties as a good corporate citizen. We commit to assist underprivileged sectors of society in improving the quality of their lives.

MESSAGE TO THE STOCKHOLDERS

Dear Stockholders,

2020 has been a year for overcoming great challenges. While we are still continuing on with improving Philippine Realty and Holdings Corporation's legacy in the luxury real estate industry, we also had to confront the matter of stabilizing the business. Amid the uncertainty of the past year, the Company still managed to see a 1.27% increase in net worth. This is laudable and a good indication of the company's stability in the years to come. Our constant per share earnings, MV per share, and book value per share are also significant markers of PhilRealty's steady presence in the industry.

We are pleased to present the Company's standing from last year as a reminder of what we have achieved and what we can still accomplish as we navigate the world's new normal.

GERARDO DOMENICO ANTONIO V. LANUZA
CHAIRMAN OF THE BOARD

ALFREDO S. DEL ROSARIO, JR
PRESIDENT AND CEO

FINANCIAL PERFORMANCE

> **The Company recalibrated its strategy to assume a more conservative approach; adjusting its development schedules to ensure its stability and managing cash flow. It also managed its financial resources more prudently to ensure that it can weather the economic crisis.**

ALFREDO S. DEL ROSARIO, JR.
PRESIDENT AND CEO

I. Review of Consolidated Net Income after Tax for the Period Ending 31 December 2020

The Company posted a consolidated net income of ₱39.8 million this year which is explained by the following.

₱39.8 MILLION

Consolidated net income

Sales of Real Estate

Sales of real estate for this year amounted to ₱264.8 million.

₱264.8 MILLION

Rent

Rental income increased to ₱69.3 million or by 36%.

36%

₱69.3 MILLION

Management Fees and Other Income

Other income for this year at ₱371.2 million decreased from the previous year.

₱371.2 MILLION

Cost of real estate sold

Following the drop in sales of real estate, the cost of real estate sold also dropped to ₱161.8 million, a 72% reduction compared to last year.

72%

₱161.8 MILLION

General and administrative expenses

General and administrative expenses also decreased this 2020 to ₱295.9 million compared to last year's ₱512.4 million.

II. Review of Consolidated Statement of Financial Position for the Period Ending in 31 December 2020 vs. 31 December 2019

Total Assets

PhilRealty's total assets as of 31 December 2020 once again exceeded ₱6 billion similar to 2019, although it did decrease slightly by 1.4% compared to 2019.

The Company's current assets increased to ₱2.5 billion compared to 2019's ₱2.1 billion. This was due to the reclassification of non-current trade receivables to current. Meanwhile, financial assets at fair value remain constant from last year at ₱6.75 million.

For non-current assets, investment properties increased to ₱2.9 billion compared to 2019's ₱2.2 billion. Non-current financial assets at fair value (FVOCI) also increased to ₱41 million from last year's ₱35.7 million. All in all, non-current assets decreased by 11.0% this year, recorded at ₱3.6 billion.

Total Liabilities

Total liabilities decreased to ₱2.1 billion as of 31 December 2020. This is in comparison to the ₱2.3 billion total liabilities recorded last 31 December 2019.

Total Equity

Total equity as of 31 December 2019 stood at ₱3.93 billion. This 2020, total equity has increased by 1.3% at almost ₱4 billion. Capital stock retained the same amount of ₱2.3 billion this year while retained earnings increased by ₱41.9 million or by 3.8% during the same period.

III. Key Performance Indicators

The table below presents the comparative performance indicators of the company and its subsidiaries.

Performance Indicators	31 December 2020	31 December 2019
Current ratio	5.15:1	2.91:1
Debt-to-equity	0.54:1	0.57:1
Asset-to-equity	1.54:1	1.57:1
Book per value per share	P0.85	P0.84
Earnings per share	P0.01	P0.10

Current ratio

The Company's current ratio increased by 71% in 2020. The ratio now stands at 5.15:1 from last year's 2.91:1.

Debt-to-equity ratio

The debt-to-equity ratio improved from the Company's 2019 record of 0.57 and is now recorded at 0.54, still maintaining an ideal level.

Asset-to-equity ratio

Along with the debt-to-equity ratio, the asset-to-equity ratio of the Company as of 31 December 2020 also slightly changed. From 1.57 last year, the asset-to-equity ratio is currently at 1.54. This is a slight decrease of 0.03 from 2019.

Book value per share

The Company's book value per share has been consistently improving since 2016. The book value per share as of 31 December 2019 is at 0.84. This year, it has increased to 0.85.

Earnings per share

The Company's earning per share went down this year to ₱0.01 from ₱0.10 in 2019.

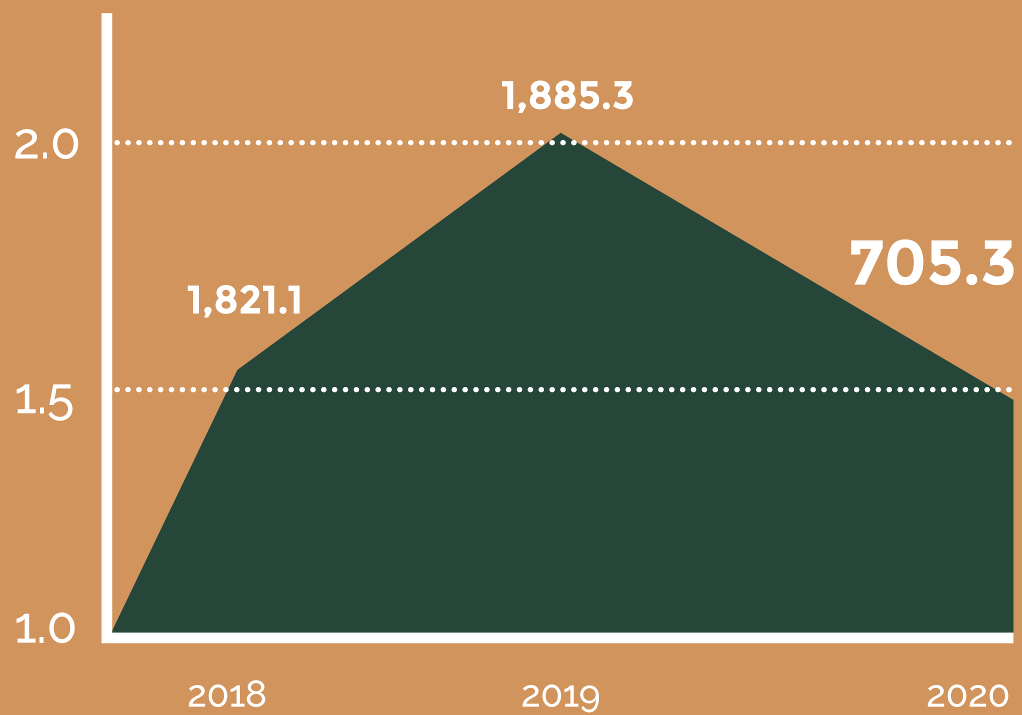
IV. Looking forward to the years ahead

The pandemic has no doubt changed the world around us and the Company seeks to move forward with our stakeholders and consumers as more of a priority than ever. As we continue to carry out our medium-term plan, we are also looking at conquering the possibilities that this changing world has to offer.

Future projects will bank on health-driven and active lifestyle trends brought about by the past year. As the next few years roll on, we will also pursue a technology-driven operation to engage both buyers and shareholders. Truly, we are at the cusp of a change in the affluent living sector of real estate. The Company will respond with critical thinking, resilience, and creativity to meet these opportunities and to uphold our legacy in the face of great challenges.

FINANCIAL HIGHLIGHTS

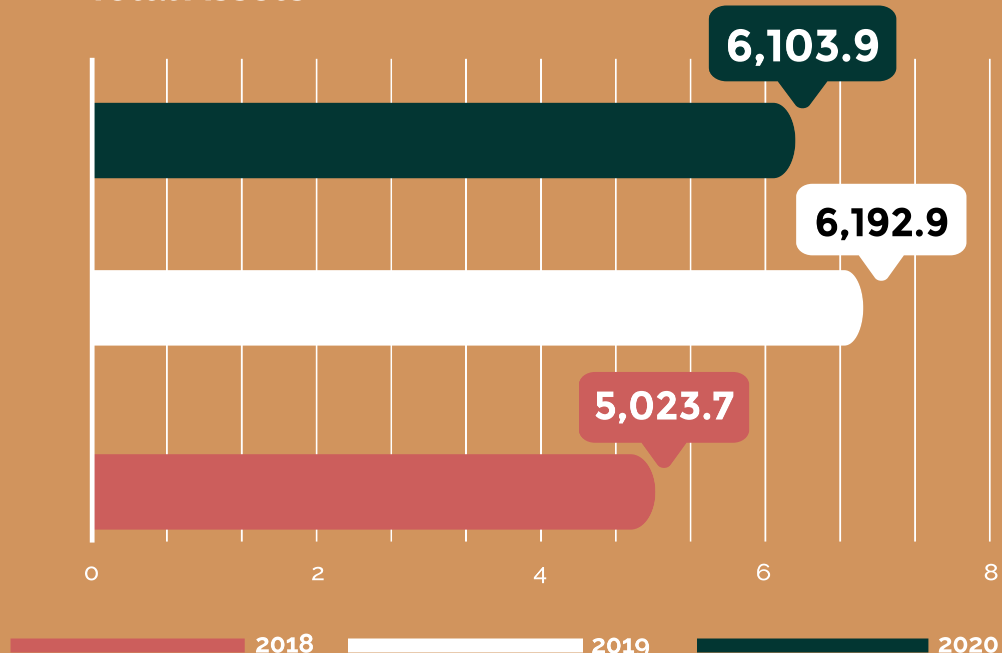
Total Revenue



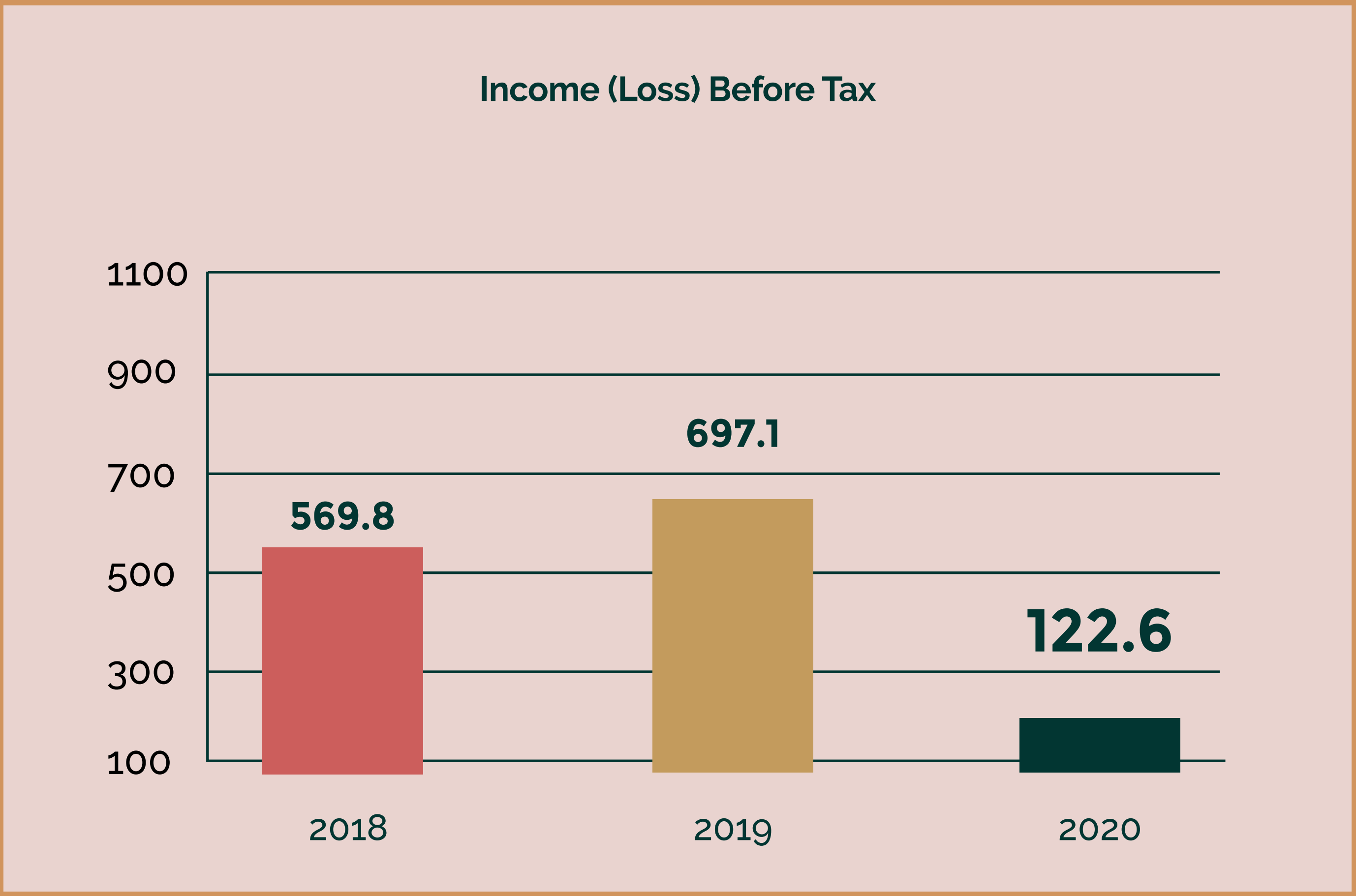
> "There is stronger demand for high-end projects which serves as a key driver in the increasing average prices of upscale properties. Moreover, residential real estate is a necessity, and amid the pandemic we will continue to cater to these demands as we truly believe people will still purchase."

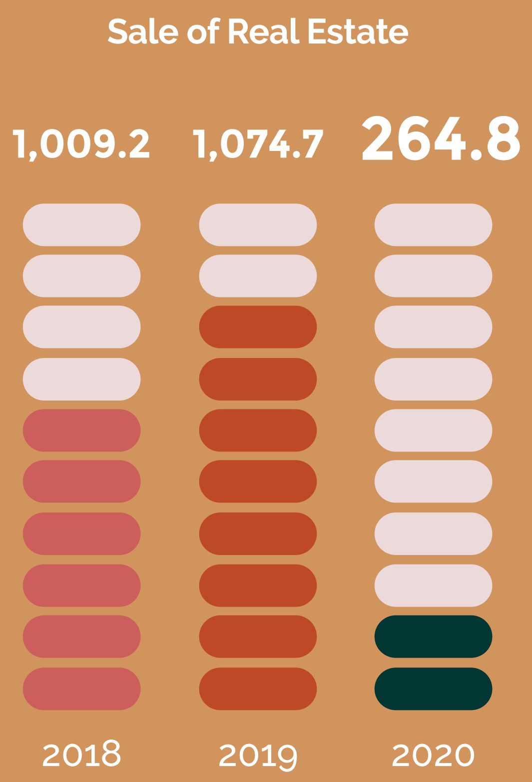
GERARDO DOMENICO ANTONIO V. LANUZA
CHAIRMAN OF THE BOARD

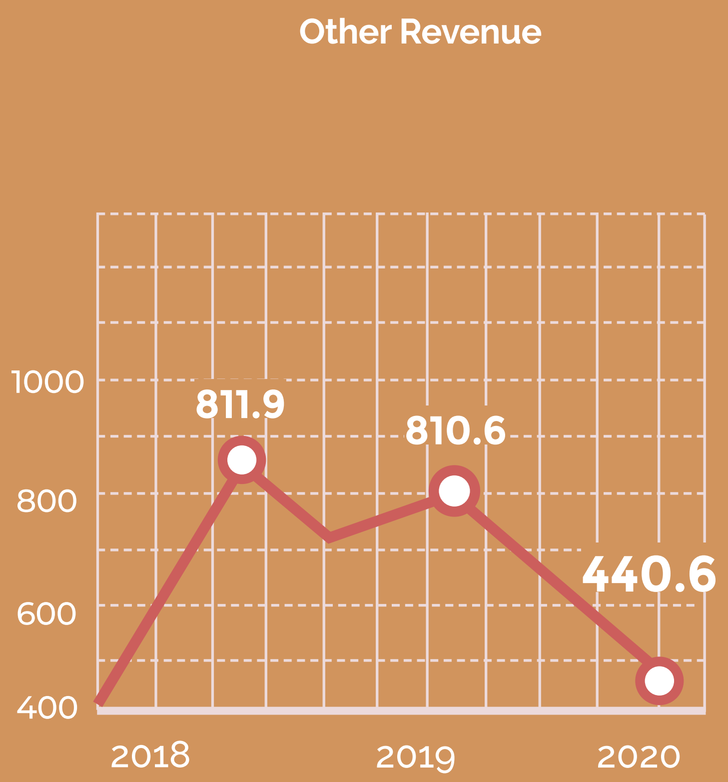
Total Assets



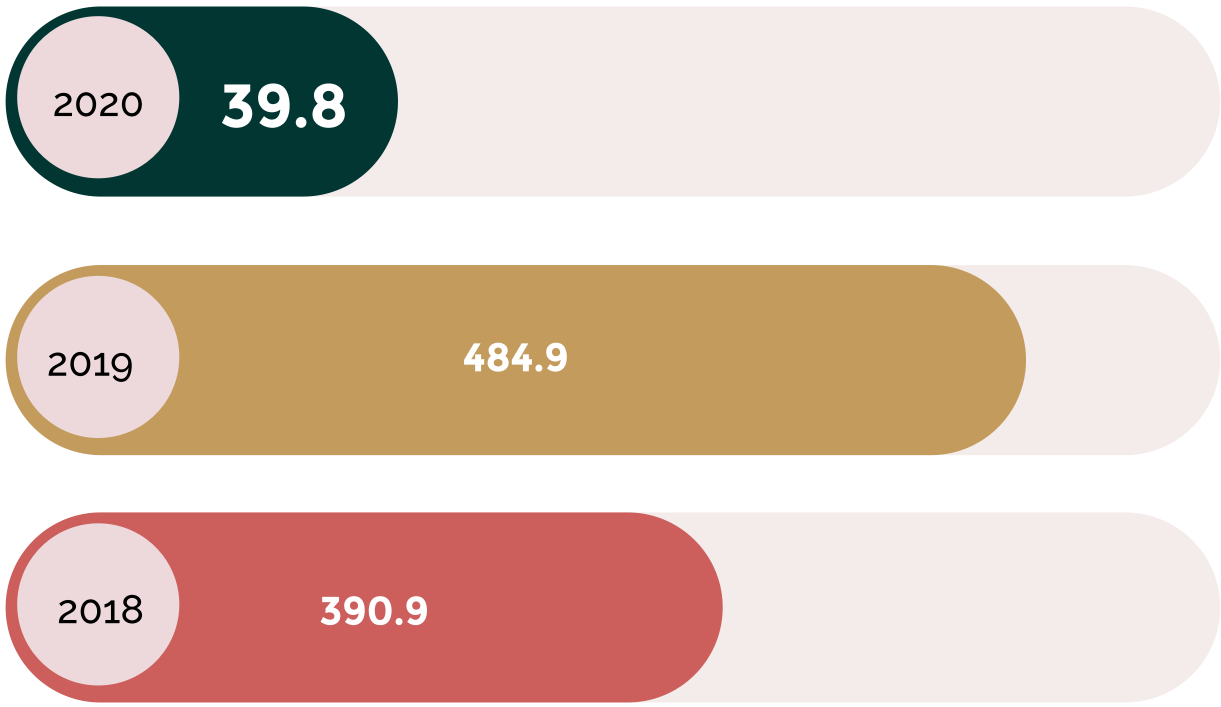
Financial Highlights



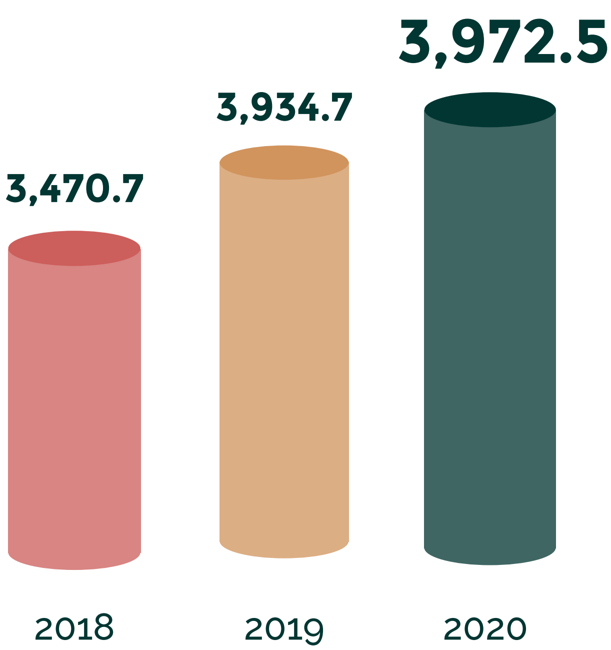




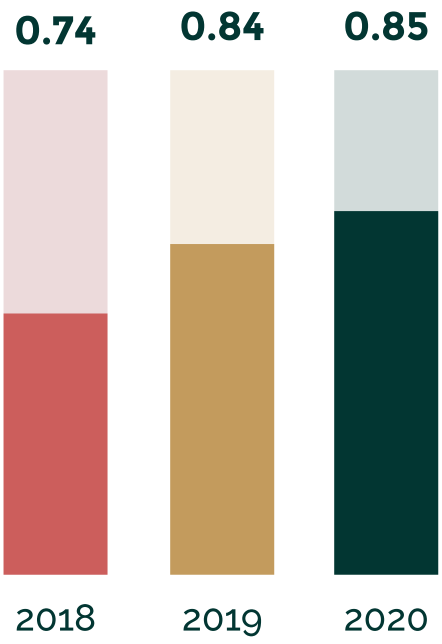
Net Income After Tax



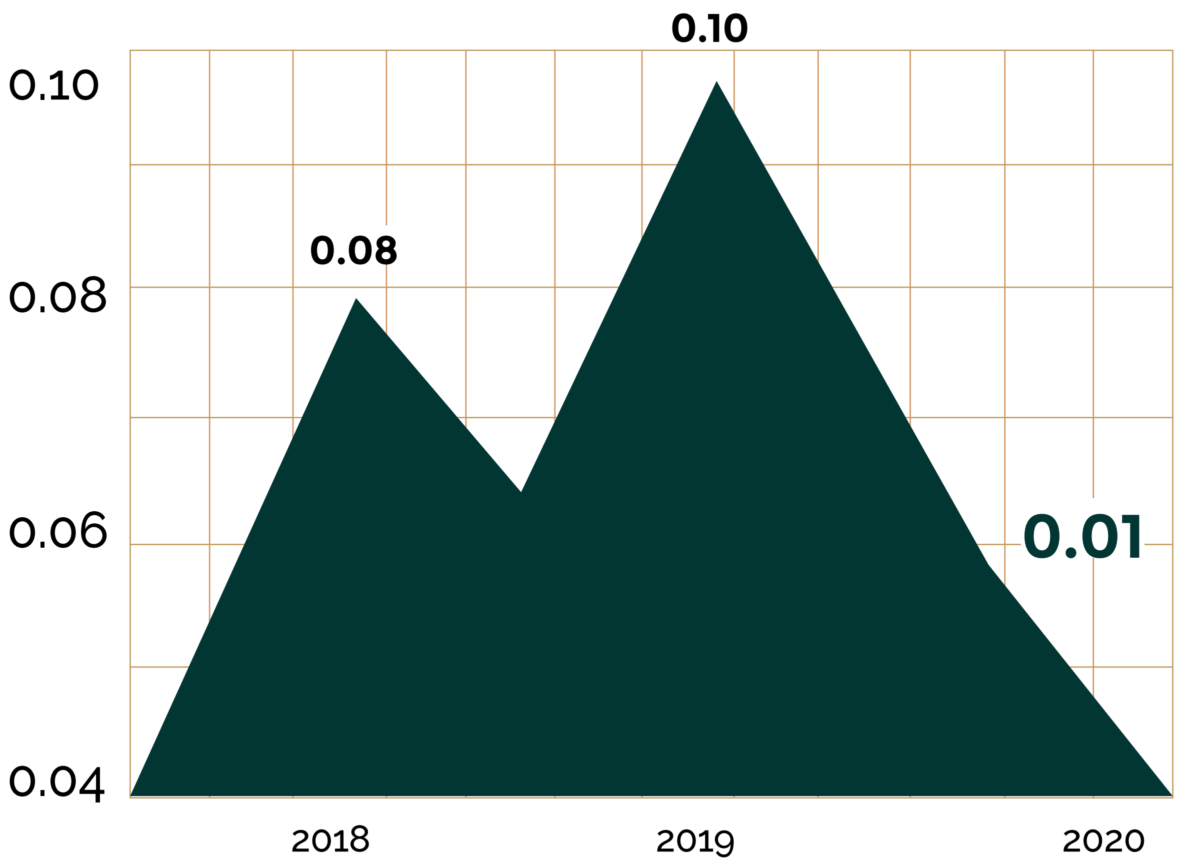
Net Worth



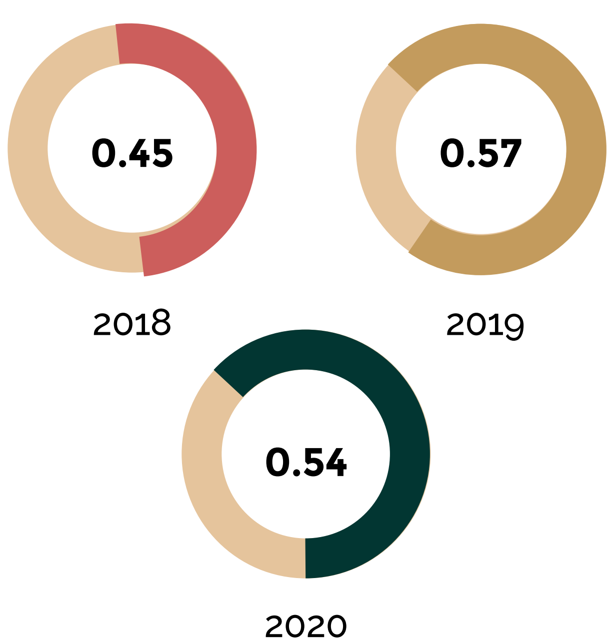
Book Value per Share



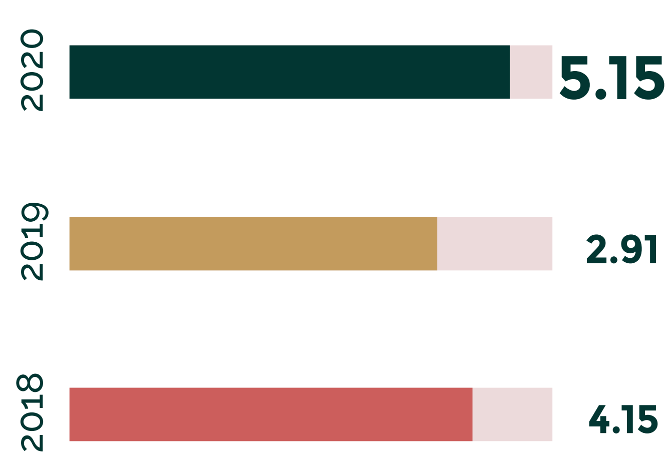
Per Share Earnings (Loss)



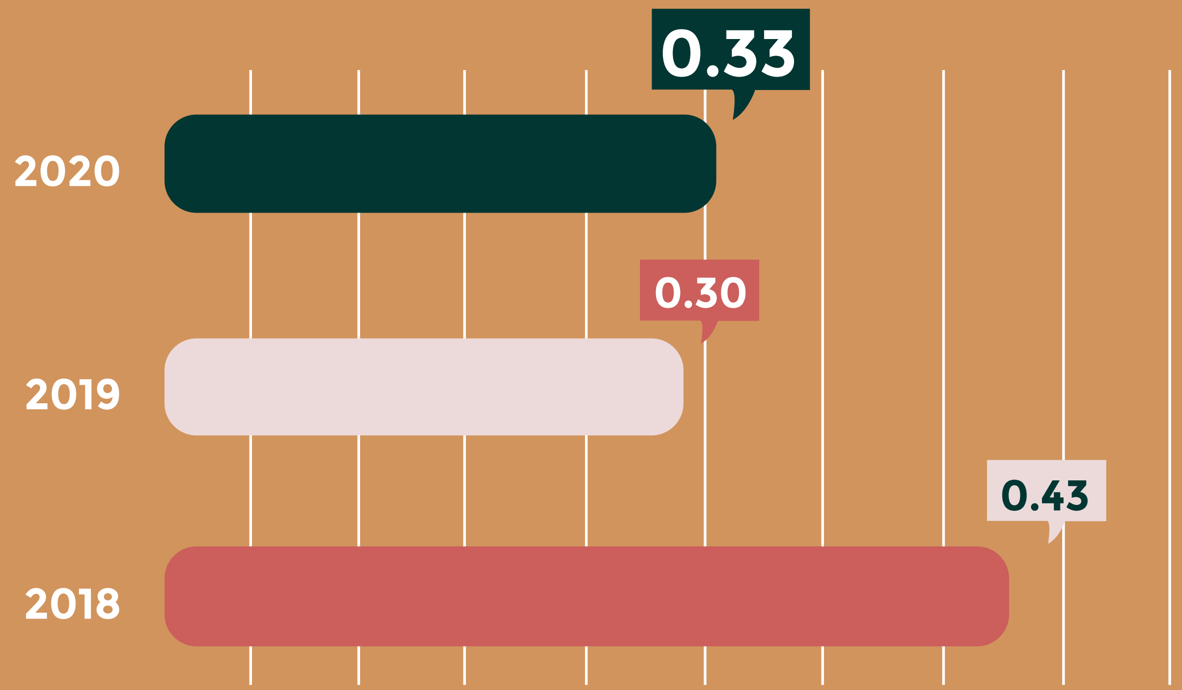
Debt-to-Equity



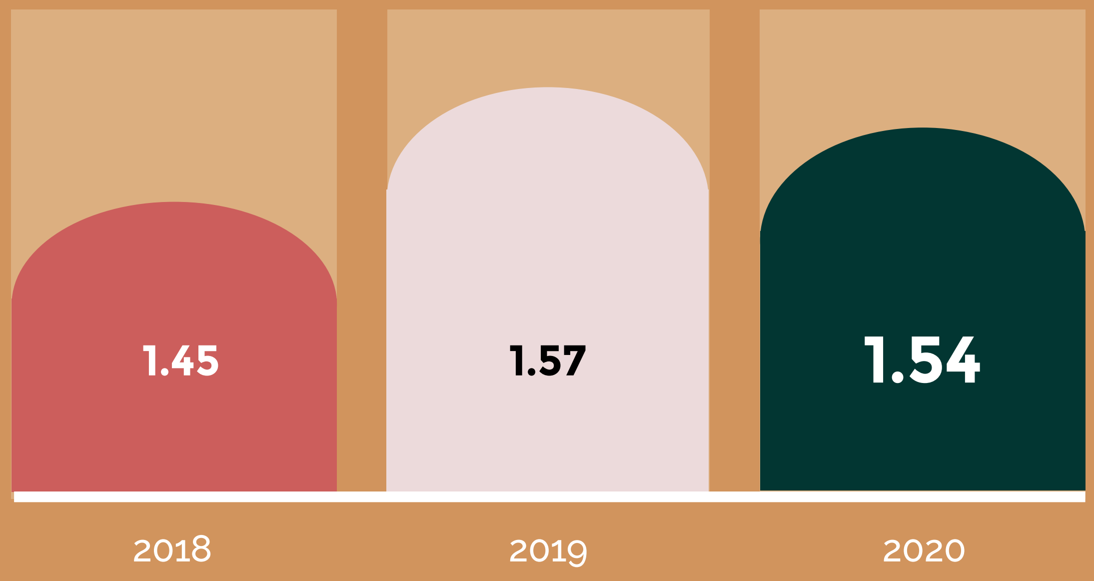
Current Ratio



MV per Share



Asset-to-Equity



BOARD OF DIRECTORS

Gerardo O. Lanuza, Jr.
CHAIRMAN EMERITUS

Antonio O. Olbes
VICE CHAIRMAN EMERITUS

Gerardo Domenico Antonio V. Lanuza
CHAIRMAN OF THE BOARD

Renato G. Nuñez
VICE CHAIRMAN AND INDEPENDENT DIRECTOR

Alfredo S. Del Rosario, Jr.
DIRECTOR

Board of Directors

Edmundo C. Medrano
DIRECTOR

Amador C. Bacani
DIRECTOR

Gregory G. Yang
DIRECTOR

Andrew C. Ng
DIRECTOR

Alfonso Martin E. Eizmendi
INDEPENDENT DIRECTOR

Jomark O. Arollado
INDEPENDENT DIRECTOR

MANAGEMENT COMMITTEE

Adeline Susan C. Carag

VP and Head,
Property Management Services

Edmundo C. Medrano

Executive Vice President,
Chief Operating Officer,
Chief Financial Officer
and Treasurer

Carlos Miguel T. Paca

VP and Head,
Business Development
and Investor Relations Officer

Edilynda G. Enriquez

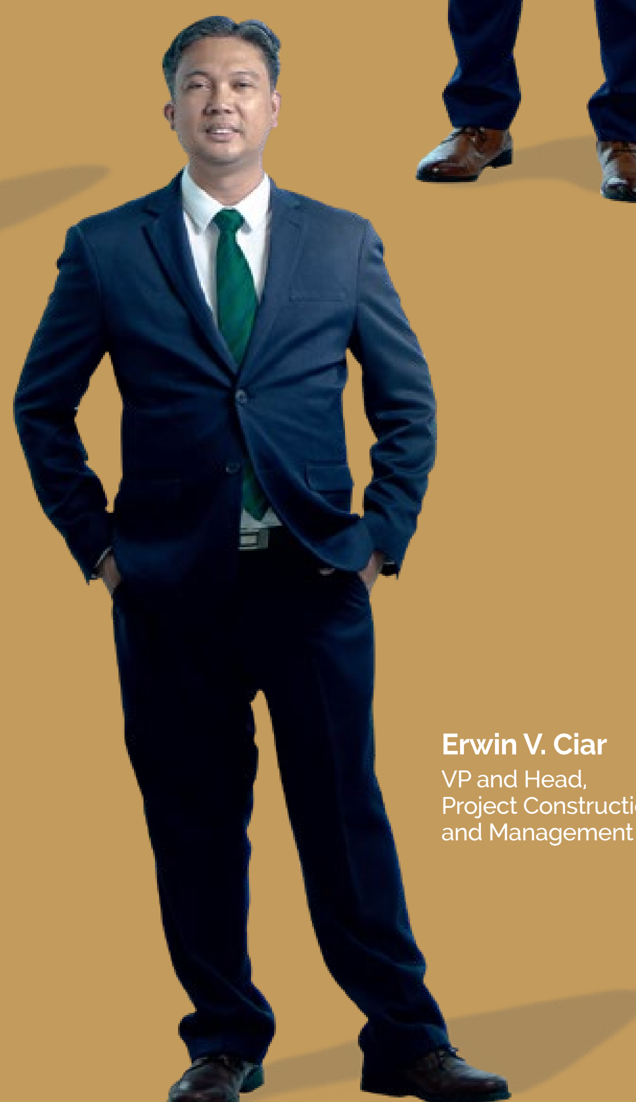
Head, Human Resources

Management Committee

Marissa S. Bontogon
VP and Controller
and Risk Officer

Richard Nicolas K. Go
VP and Head, Sales
Chief Sales Officer

Alfredo S. Del Rosario, Jr.
President and
Chief Executive Officer



Erwin V. Ciar
VP and Head,
Project Construction
and Management

A TESTAMENT TO ADAPTABILITY

The Company proves that purposeful and forward-thinking strategies are key to enduring a global crisis

Nothing has tested and proven real estate's resilience than the COVID-19 pandemic. In the Philippines, real estate has been steadily rising for the past years. Back in 2019, Manila recorded a prime rental growth of 3.8% in residential real estate and ranked 8th on JLL's City Momentum Index. Business has always been profitable because there is a huge demand for housing, and real estate investments have been constant for many stock market players. Still, like any other industry, real estate suffered the brutal effects of the pandemic.

Many companies reported reduced sales because of job closings and lockdowns, especially in industrial, office, and commercial settings. The industry's sales dropped by 94% at the beginning of 2020 compared to 2019's sales rates because it has become difficult to organize showings and to close deals while customers were not yet eager to meet face to face. The pandemic also affected the progress of current projects, especially in the housing sector, with 60% of property construction postponed until 2021 because of the suspension of construction activity due to lockdowns.

In spite of these challenges, Philippine Realty and Holdings Corporation managed to weather the storm because of a recalibrated strategy that managed financial resources prudently and adjusted development schedules to ensure stability.

Upholding stakeholder welfare

Any business looking to stabilize in times of crisis must look inward and prioritize its personnel. PhilRealty's most pressing concerns when lockdowns were announced were to monitor the situation, provide a safe workplace and offer employees the support that they need.

This in turn led to a successful corporate reopening where stronger ties between the employees and the Company were cemented. Throughout the duration of the lockdown, human resources have made adjustments in information dissemination, adapted a flexible work arrangement, and implemented new normal policies on safety standards.

The Company's dealings with clientele also had to evolve. The sales team began following the requirement of testing before viewings. Video call presentations and virtual viewings were done in place of face-to-face meetings while some clients opted for photos and videos to be sent to them instead. While the initial response from clients was initially unfavorable, it eventually turned into appreciation for the Company's safety guidelines as it benefited both clients and sales teams.

Opportunities for growth

Despite the challenges, there are bright spots for the industry. Manila's prime residential market is experiencing a boost as demand for luxury properties increases. Pre-selling for upper-midscale properties onwards saw a net average increase of 111 properties compared to the beginning of the year.

In the next few years, Philippine Realty and Holdings Corporation's workforce can expect a more streamlined workflow as managers further refine corporate operations. Edmundo C. Medrano, Executive Vice President, expects that a flexible work arrangement will continue to be normalized and that the Company is already primed to adhere to this setup and pursue its development plans with confidence in the years to come.

Following industry trends and building on PhilRealty's continued upward growth and forward-looking approach to the crisis, the Company will increase its reliance on technology to support its business processes and to allow for remote or mobile operations, product marketing, and sales. It will also utilize technology and other financial resources for maximum value and ensure the efficient use of its existing assets to drive revenue and profitability.

In the end, the Company will come out of these delicate years victorious if they will give their best for their stakeholders and their clients.

RETHINKING HOMES IN THE NEW NORMAL

Here's how COVID-19 will change home and living for the better

Many popular fixtures in homes these days were brought about by past health crises. Throughout history, architecture and design have intersected with health as humans turned to their physical spaces as primary defenses against sickness and the natural elements.

Similar to how tuberculosis in the early 20th century popularized sleeping porches for ill people to get some air and sunlight, COVID-19 will also bring about design features that are not just functional but also provides elements that quell anxieties. It is now up to Philippine Realty and Holdings Corporation to rise to the challenge of integrating these new features into its upcoming legacy projects.

Work-from-home functionalities

While remote working has already seen a rise before the pandemic hit, it's now an undeniable norm. The past year had people trying to utilize home offices in their bedrooms or shared spaces like living rooms or dining rooms. Moving forward, home offices or at least spaces that are conducive for remote working and learning will be a necessity. Clearly, defined spaces will be important in creating a floor plan as consumers will be looking for more flexibility when it comes to their personal spaces. It also goes without saying that connectivity and Wi-Fi compatibility will be a big consideration for potential homeowners.

Spacious living

The Company's luxury properties have always been made with space and privacy in mind, as exemplified by its developments with two to eight units to a floor. Now that people are more conscious about social distancing and gathering indoors, property features like personal elevators and separate entrances can reduce unwanted contact and of course, reinforce safety and security.

Outdoor spaces

Being under lockdown for more than a year has taught everyone the value of the outdoors. Aside from spacious properties, homeowners are likely to look for a place where they can breathe in fresh air and escape the confines of the indoors. A private outdoor space, like balconies, gardens, or landscaped backyards can be incorporated into properties to counter the effects of social isolation. These spaces can also be multi-functional: as an alfresco dining space for close family and friends, an outdoor working area, or an airy option for workouts.

Wellness and health integration

Homes in the near future will be created with health and safety in mind. Floor plans will include drop/decontamination zones near entrances where residents can wash their hands and sanitize clothes, bags, shoes, and other items they bring in.

"Throughout history, architecture and design have intersected with health as humans turned to their physical spaces as primary defenses against sickness and the natural elements."

Touch-free features like sensor-operated faucets, flush buttons, doors, and windows will also feature heavily in minimizing disease transmission. When it comes to construction, anti-bacterial and anti-microbial materials like granite, porcelain, and quartz will all become a mainstay.

Aside from hygiene and safety, PhilRealty's future properties will also make wellness and active lifestyles as selling points. These include upgraded sports and exercise facilities as well as spaces within units designed especially for physical activities.

Sustainability and self-sufficiency

The past year has forced people across the globe to look at the environmental effects of their consumption and the repercussions that will be felt in the years to come. This renewed awareness about the impact of human activities on nature will shape homeowners' desire for sustainable and self-sufficient power sources for their homes. Alternatives to fossil fuels like solar power, geothermal heating, or hydropower will sustain homes in the years to come. The mindset of creating an autonomous power source for one's property will also be a desirable asset as it will help homes and their inhabitants sustain themselves independently in the event of another full lockdown.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020, 2019 and 2018

Philippine Realty & Holdings Corporation

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **PHILIPPINE REALTY AND HOLDINGS CORPORATION and SUBSIDIARIES (the Group)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2020, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

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

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

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

Maceda Valencia and Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

GERARDO DOMENICO ANTONIO V. LANUZA
Chairman of the Board

ALFREDO S. DEL ROSARIO, JR.
President and Chief Executive Officer

EDMUNDO C. MEDRANO
Executive Vice President and Chief Operating Officer and Treasurer

Signed this 16th day of March 2021.

One Balete Building, 1 Balete Drive corner N. Domingo Street, New Manila, Quezon City 1111
Tel No: 8631 3179 | Fax No: 8634 1504

SUBSCRIBED AND SWORN to before me this ______ day of 26 APR 2021, 2021, affiants exhibiting to me their Tax Identification Nos. as follows:

Name	Tax Identification No.
Gerardo Domenico Antonio V. Lanuza	243-616-771
Alfredo S. Del Rosario, Jr.	108-160-980
Edmundo C. Medrano	134-515-229

ATTY. RUBEN M. AZAÑES, JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2021
PTR NO. 0694960,QUEZON CITY
IBP NO. 132791-Quezon City CHAPTER
Roll of Attorney's No.46427
Admin Matter No.004
MCLE-VI-0030360-2-19-2020
TIN:140-394-386-000
UNIT 2 UGF-2 Opulent Bldg.

Doc. No. 226
Page No. 47
Book No. XLIV
Series of 2021

MVCo
Maceda Valencia & Co
Certified Public Accountants and Management Consultants

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Philippines
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Fax: +63 (2) 8403 7306

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www.MVCo.com.ph
www.nexia.com

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION

The Shareholders and Board of Directors
Philippine Realty and Holdings Corporation and Subsidiaries
One Balete, 1 Balete Drive corner N. Domingo Street
Brgy. Kaunlaran District 4
Quezon City

We have audited the financial statements of Philippine Realty and Holdings Corporation and Subsidiaries as at and for the year ended December 31, 2020, on which we have rendered our report dated March 16, 2021.

In compliance with the Revised Securities Regulation Code Rule 68 and based on the certification received from the Company's corporate secretary and the results of our work done, as at December 31, 2020, we are stating that the said Company has two thousand two hundred seventy-six (2,276) shareholders owning one hundred (100) or more common shares.

MACEDA VALENCIA & CO.

ANTONIO O. MACEDA, JR.
Partner
CPA License No. 20014
PTR No. 8564731
Issued on January 22, 2021 at Makati City
SEC Accreditation No. (individual) as general auditor 1761-A Category A,
Effective until July 31, 2022
SEC Accreditation No. (firm) as general auditors 4748-SEC;
Effective until Febuary 17, 2023
TIN 102-090-963-000
BIR Accreditation No. 08-001987-004-2021,
Effective until April 11, 2024
BOA/PRC Reg. No. 4748, effective until June 26, 2021

March 16, 2021
Makati City

MVCo
Maceda Valencia & Co
Certified Public Accountants and Management Consultants

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REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
Philippine Realty and Holdings Corporation and Subsidiaries
One Balete, 1 Balete Drive corner N. Domingo Street
Brgy. Kaunlaran District 4
Quezon City

Opinion

We have audited the consolidated financial statements of Philippine Realty and Holdings Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of total comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years in the period ended December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

MVCo
Maceda Valencia & Co
Certified Public Accountants and Management Consultants

Valuation of Real Estate Inventories

The Risk

Real estate inventories constitute a material component in the Group's consolidated statements of financial position. Real estate inventories amounted to P0.80 billion representing 13% of the total assets as at December 31, 2020. Real estate inventories include properties under construction, newly built and acquired properties that are held for sale in the ordinary course of business and land held for development. Real estate inventories are valued at the lower of cost or market and net realizable value.

The valuation of real estate inventories is influenced by assumptions and estimates regarding construction costs to be incurred, and future selling prices. Weak demand and the consequential over supply of residential units might exert downward pressure on transaction volumes and selling prices of residential properties.

Our Response

Based on a sample selected according to qualitative and quantitative factors, our audit procedures included the following:

- Evaluation of recognized costs for selected projects in terms of eligibility for capitalization and allocation on the basis of the respective financial forecast;

- Identification of deviations between financial forecasts and the respective project accounts together with a critical assessment of these deviations through discussions with project managers, and reconciliation of actual costs with construction cost statements; and

- Analysis of realizable values by inspecting the most recent sales contracts and comparing expected future costs, costs already capitalized and expected sales proceeds from remaining properties.

Allowance for Impairment Losses on Trade and Other Receivables

The Risk

The allowance for impairment losses on trade and other receivables is considered to be a matter of significance as it requires the application of judgment and use of subjective assumptions by management. As of December 31, 2020, trade and other receivables has a total carrying amount of P1.25 billion contributing 21% of the Group's total assets.

Our Response

Our audit procedures included the following:

- Testing the Group's controls over the receivables collection processes.

- Testing the adequacy of the Group's provisions against trade receivables by assessing management's assumptions, taking account of externally available data on trade credit exposures and our own knowledge of recent bad debt experience in this industry and expected cash flows from the sale of collateral held or other credit enhancements.

- We also considered the adequacy of the Group's disclosures about the degree of estimation involved in arriving at the provision.

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Maceda Valencia & Co
Certified Public Accountants and Management Consultants

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

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

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

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

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

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

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

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

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

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

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

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

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Certified Public Accountants and Management Consultants

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Antonio O. Maceda, Jr.

MACEDA VALENCIA & CO.

ANTONIO O. MACEDA, JR.
Partner
CPA License No. 20014
PTR No. 8564731
Issued on January 22, 2021 at Makati City
SEC Accreditation No. (individual) as general auditor 1761-A Category A,
Effective until July 31, 2022
SEC Accreditation No. (firm) as general auditors 4748-SEC;
Effective until Febuary 17, 2023
TIN 102-090-963-000
BIR Accreditation No. 08-001987-004-2021,
Effective until April 11, 2024
BOA/PRC Reg. No. 4748, effective until June 26, 2021

March 16, 2021
Makati City

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PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	Note	2020	2019
ASSETS			
Current Assets			
Cash and cash equivalents	3	P207,245,299	P218,430,583
Financial assets at fair value through profit or loss (FVPL)	4	6,750,000	6,750,000
Trade and other receivables - current portion	6	1,073,360,534	351,394,206
Real estate inventories	7	801,055,720	1,159,131,710
Prepayments and other assets - net	8	408,738,974	406,326,485
Total Current Assets		2,497,150,527	2,142,032,984
Non-current Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	5	41,010,520	35,693,930
Trade and other receivables - non current portion	6	179,618,624	1,273,794,211
Investments in and advances to associates - net	9	64,155,487	74,609,802
Investment properties	10	2,912,479,607	2,223,285,470
Property and equipment - net	11	81,045,297	93,978,372
Right of use assets	12	98,167,126	107,862,621
Investment in finance lease	12	230,261,995	241,562,399
Other non-current assets		53,386	53,388
Total Non-current Assets		3,606,792,042	4,050,840,193
		P6,103,942,569	P6,192,873,177
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables - current portion	13	P128,580,812	P238,703,926
Unearned income	14	1,361,382	1,295,643
Loans and note payable – current portion	15	340,339,916	481,658,467
Lease liability - current portion	12	14,459,726	14,112,902
Total Current Liabilities		484,741,836	735,770,938
Non-current Liabilities			
Trade and other payables - net of current portion	13	148,000,694	120,758,909
Loans and note payable - net of current portion	15	692,985,762	673,427,834
Retirement benefit obligation	17	73,420,911	55,320,659
Deferred tax liabilities - net	26	504,925,466	428,965,492
Lease liability – net of current portion	12	187,879,730	202,339,455
Other non-current liabilities	12	39,467,676	41,540,793
Total Non-current Liabilities		1,646,680,239	1,522,353,142
Total Liabilities		2,131,422,075	2,258,124,080
EQUITY			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock	27	2,344,226,245	2,344,226,245
Additional paid-in capital	27	557,014,317	557,014,317
Reserves	28	44,304,162	46,376,118
Retained earnings		1,155,073,841	1,113,176,522
Treasury stock	27	(110,049,633)	(110,049,633)
		3,990,568,932	3,950,743,569
Equity Attributable to Non-Controlling Interests	29	(18,048,438)	(15,994,472)
		3,972,520,494	3,934,749,097
		P6,103,942,569	P6,192,873,177

See Notes to the Consolidated Financial Statements.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

	Note	2020	2019	2018
INCOME				
Sales of real estate		**P264,772,984**	P1,074,673,171	P1,009,230,247
Rent	*12*	**69,344,550**	50,850,057	102,120,869
Management fees	*19*	**42,852,821**	42,954,915	34,047,671
Interest	*21*	**13,728,349**	14,697,898	3,574,804
Commission	*20*	**4,455,984**	5,727,141	6,676,026
Gain on sale of property and equipment		**-**	-	3,952,737
Other income	*22*	**310,176,111**	696,372,717	661,531,938
		705,330,799	1,885,275,899	1,821,134,292
COSTS AND EXPENSES				
Cost of real estate sold	*7*	**161,787,110**	583,833,983	594,013,963
Cost of services	*23*	**83,154,975**	72,201,825	70,491,179
General and administrative expenses	*24*	**295,932,566**	512,378,346	506,541,946
Finance cost	*12,15,16*	**36,787,064**	17,069,529	8,474,222
Equity in net loss of an associate	*9*	**3,409,093**	2,063,651	8,204,998
Other expenses	*25*	**1,660,400**	611,650	63,633,979
		582,731,208	1,188,158,984	1,251,360,287
INCOME BEFORE INCOME TAX		**122,599,591**	697,116,915	569,774,005
INCOME TAX EXPENSE	*26*	**82,756,238**	212,227,312	178,840,222
NET INCOME		**P39,843,353**	P484,889,603	P390,933,783
Attributable to:				
Equity holders of the parent		**P41,897,319**	P495,717,398	P392,632,613
Non-controlling interest	*29*	**(2,053,966)**	(10,827,795)	(1,698,830)
		P39,843,353	P484,889,603	P390,933,783
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit obligation, net of tax	*28*	**(7,388,546)**	(14,686,450)	8,137,444
Unrealized holding gain (loss) on financial assets at FVOCI	*28*	**5,316,590**	(5,639,548)	(15,449,604)
		(2,071,956)	(20,325,998)	(7,312,160)
Total Comprehensive Income		**P37,771,397**	P464,563,605	P383,621,623
BASIC EARNINGS PER SHARE	*30*	**P0.01**	P0.10	P0.08

See Notes to the Consolidated Financial Statements.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

	Equity Attributable to Equity Holders of the Parent Company							
	Capital Stock (Note 27)	Additional Paid-in Capital (Notes 27)	Reserves (Note 28)	Retained Earnings	Treasury Stock (Note 27)	Total	Non-controlling Interests (Note 29)	Total Equity
Balance at January 1, 2018	P2,344,198,495	P557,014,317	P195,307,585	P153,038,847	(P160,904,214)	P3,088,655,030	(P6,956,159)	P3,081,698,871
Comprehensive income								
Net income for the year	-	-	-	392,632,613	-	392,632,613	(1,698,830)	390,933,783
Other comprehensive loss for the year	-	-	(7,312,160)	-	-	(7,312,160)	-	(7,312,160)
Total comprehensive income for the year	-	-	(7,312,160)	392,632,613	-	385,320,453	(1,698,830)	383,621,623
Effect of reclassification of financial assets at FVPL to financial assets at FVOCI	-	-	17,308,122	(17,308,122)	-	-	-	-
Disposal of financial assets at FVOCI	-	-	1,924,192	-	-	1,924,192	3,488,312	5,412,504
Reissuance of shares	-	-	-	(51,191,775)	51,191,775	-	-	-
Reversal of appropriation	-	-	(140,287,561)	140,287,561	-	-	-	-
	-	-	(121,055,247)	71,787,664	51,191,775	1,924,192	3,488,312	5,412,504
Balance at December 31, 2018	2,344,198,495	557,014,317	66,940,178	617,459,124	(109,712,439)	3,475,899,675	(5,166,677)	3,470,732,998
Comprehensive income								
Net income for the year	-	-	-	495,717,398	-	495,717,398	(10,827,795)	484,889,603
Other comprehensive loss for the year	-	-	(20,325,998)	-	-	(20,325,998)	-	(20,325,998)
Total comprehensive income for the year	-	-	(20,325,998)	495,717,398		475,391,400	(10,827,795)	464,563,605
Collection of subscription receivable	27,750	-	-	-	-	27,750	-	27,750
Disposal	-	-	(238,062)	-	-	(238,062)	-	(238,062)
Acquisition of shares	-	-	-	-	(337,194)	(337,194)	-	(337,194)
	27,750	-	(238,062)	-	(337,194)	(547,506)	-	(547,506)
Balance at December 31, 2019	2,344,226,245	557,014,317	46,376,118	1,113,176,522	(110,049,633)	3,950,743,569	(15,994,472)	3,934,749,097
Comprehensive income								
Net income for the year	-	-	-	41,897,319	-	41,897,319	(2,053,966)	39,843,353
Other comprehensive loss for the year	-	-	(2,071,956)	-	-	(2,071,956)	-	(2,071,956)
Total comprehensive income for the year	-	-	(2,071,956)	41,897,319	-	39,825,363	(2,053,966)	37,771,397
Balance at December 31, 2020	**P2,344,226,245**	**P557,014,317**	**P44,304,162**	**P1,155,073,841**	**(P110,049,633)**	**P3,990,568,932**	**(P18,048,438)**	**P3,972,520,494**

See Notes to the Consolidated Financial Statements.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

	Note	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**P122,599,591**	P697,116,915	P569,774,005
Adjustments for:				
Finance costs	*12,15,16*	**36,787,064**	17,069,529	8,474,222
Depreciation and amortization	*23,24*	**24,452,354**	26,197,729	13,478,898
Provision for retirement benefits	*17*	**14,596,841**	8,940,538	11,008,355
Impairment loss on trade and other receivables	*24*	**5,107,257**	80,758,365	26,262,781
Equity in net loss of an associate	*9*	**3,409,093**	2,063,651	8,204,997
Unrealized foreign exchange loss (gain) – net	*22,25*	**1,183,942**	403,018	(1,809,732)
Gain on fair value adjustment of investment properties	*10,22*	**(286,750,907)**	(546,695,730)	(511,432,937)
Interest income	*21*	**(13,728,349)**	(14,697,898)	(3,574,804)
Gain on repossession of assets	*22*	**(12,057,967)**	(4,912,075)	-
Impairment loss on property and equipment	*24*	**-**	19,406,340	-
Gain on sublease	*22*	**-**	(139,125,678)	-
Dividend income	*22*	**-**	(716,722)	(626,337)
Reversal of various liabilities	*22*	**-**	(24,484)	(109,006,274)
Impairment loss on other assets	*24*	**-**	-	16,637,343
Gain on sale of property and equipment – net		**-**	-	(3,644,424)
Operating income (loss) before working capital changes		**(104,401,081)**	145,783,498	23,746,093
Decrease (increase) in:				
Trade and other receivables		**367,102,002**	(434,322,340)	(425,662,730)
Prepayments and other assets		**(6,042,231)**	(120,837,375)	(132,871,065)
Real estate inventories		**29,067,260**	363,270,881	473,960,364
Increase (decrease) in:				
Trade and other payables		**(84,355,227)**	(225,834,243)	344,580,489
Unearned income		**65,739**	395,856	(3,897,629)
Other non-current liabilities		**(2,073,117)**	3,525,729	(27,048,517)
Cash generated from (used in) operations		**199,363,345**	(268,017,994)	252,807,005
Interest received	*21*	**13,728,349**	14,697,897	3,574,804
Retirement benefit paid	*17*	**(5,501,967)**	-	(395,000)
Contributions to retirement fund	*17*	**(2,000,000)**	-	(4,500,000)
Dividends received	*22*	**-**	716,722	626,337
Net cash provided by (used in) operating activities		**205,589,727**	(252,603,375)	252,113,146
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to investment properties	*10*	**(61,376,533)**	(69,659,161)	(135,765,653)
Additions to property and equipment	*11*	**(1,995,547)**	(11,442,647)	(8,800,170)
Return of investments	*9*	**7,045,222**	-	-
Proceeds from disposal of property and equipment	*11*	**171,763**	-	9,902,823
Proceeds from sale of AFS financial assets	*5*	**-**	-	21,952,385
Proceeds from sale of HTM Investments		**-**	-	1,000,000
Net cash used in investing activities		**(P56,155,095)**	(P81,101,808)	(P111,710,615)

Forward

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

	Note	2020	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of loans and note payable	*15*	**P831,343,910**	P860,815,000	P9,287,000
Finance lease receipts		**11,300,404**	11,066,012	-
Payments of loans and note payable	*15*	**(953,104,533)**	(366,407,748)	(205,429,114)
Finance cost paid		**(34,862,853)**	(17,069,529)	(8,474,222)
Lease liability payments		**(14,112,902)**	(14,355,492)	-
Collection of subscriptions receivable	*27*	**-**	27,750	-
Net cash from (used in) financing activities		**(159,435,974)**	474,075,993	(204,616,336)
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		**(1,183,942)**	(403,018)	1,809,732
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(11,185,284)**	139,967,792	(62,404,073)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	*3*	**218,430,583**	78,462,791	140,866,864
CASH AND CASH EQUIVALENTS AT END OF YEAR	*3*	**P207,245,299**	P218,430,583	P78,462,791

See Notes to the Consolidated Financial Statements.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

Philippine Realty and Holdings Corporation (the "Parent Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 13, 1981 with a corporate life of fifty (50) years. The principal activities of the Parent Company include the acquisition, development, sale and lease of all kinds of real estate and personal properties, and as an investment and holding company.

The Parent Company was listed with the Philippine Stock Exchange (PSE) on September 7, 1987.

The Parent Company is 35.67% owned by Greenhills Properties, Inc. (GPI), a corporation incorporated under the laws of the Philippines. The remaining shares are owned by various individuals and institutional stockholders.

The financial position and results of operations of the Parent Company and its subsidiaries (collectively referred to as the "Group") are consolidated in these financial statements (see Note 36).

On April 18, 2018, the Board of Directors of the Parent Company approved the contribution by GPI into the Parent Company of two (2) vacant lots located in Bonifacio Global City (BGC) more particularly described as follows: 1) Lot 1 Block 8 containing 1,600 sq.m., located at the corner of 6th Avenue and 24th Street; and 2) Lot 4 Block 8 also containing 1,600 sq.m., located at 6th Avenue corner 25th Street. Lot 1 Block 8 is registered under the name of GPI, while lot 4 block 8 was acquired by GPI from its wholly owned subsidiary, Lochinver Assets Inc. (LAI), by way of merger approved by the SEC, with GPI as the Surviving Corporation and LAI as the Absorbed Corporation.

The proposed transaction will involve the issuance of 4,177,777,778 new common shares by the Parent Company in favor of GPI, to be issued from the increase in the authorized capital stock (ACS) of the Parent Company, in exchange for GPI's contribution of two (2) vacant lots in the BGC as capital.

On July 23, 2018, the Stockholders approved the above transaction and the amendment of Article VII of the Parent Company's Articles of Incorporation increasing the Parent Company's authorized capital stock from 8,000,000,000 common shares with a par value of PhP0.50 per share to 16,000,000,000 common shares with a par value of PhP0.50 per share. The Parent Company's application with the SEC for the increase in authorized capital was approved on May 14, 2019.

The contribution of two (2) vacant lots in the BGC by GPI in exchange for the Parent Company's shares of stock is still pending. The transfer of title of the two vacant lots is in the final processing stage at the Registry of Deeds as of reporting date. Issuance of shares will be done upon complete transfer of title to the Parent Company.

The Parent Company's registered office is at One Balete, 1 Balete Drive Corner N. Domingo St. Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines.

Outlook for the Future

The Philippines is experiencing a general economic downturn due to a global pandemic. Presently, the National Capital Region and other parts of the country are under various stages of community quarantine. Management believes that the outbreak of COVID-19 pandemic and the quarantine declarations, while causing some uncertainties and growth in risks, do not adversely impact the Group's ability to continue as a going concern.

Events After the Reporting Period

Impact of the proposed Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)

On February 3, 2021, the Congress ratified the "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE", which seeks to reduce the corporate income tax rates and to rationalize the current fiscal incentives by making it time-bound, targeted, and performance-based.

As of the issue date of these financial statements, the CREATE bill is awaiting approval by the President of the Philippines.

The following are certain provisions of the bill that are expected to have an impact on the Group's financial statements once passed into law:

- Reduced RCIT rate effective July 1, 2020 as follows:

  Domestic corporations shall be subject to the following reduced RCIT rates depending on their assets and taxable income:
  a. Those with assets amounting to P100,000,000 and below, excluding land, and with taxable income equivalent to P5,000,000 and below will be subjected to a 20% tax rate;
  b. Those with assets above P100,000,000 or those with taxable income amounting to more than P5,000,000 will be subjected to a 25% tax rate.

- Reduced MCIT rate of 1% effective July 1, 2020 until June 30, 2023

In accordance with Philippine Interpretations Committee Questions and Answers No. 2020-07 (which is still subject to the Board of Accountancy's approval as of the issue date), the CREATE Bill is considered to be not substantively enacted as of December 31, 2020; accordingly, the current and deferred taxes for financial reporting purposes as of December 31, 2020 are measured using the regular income tax rate in effect as of December 31, 2020, which is 30%.

CREATE is expected to reduce the current income tax expense of the Group in 2020 and in future years. Deferred income tax is expected to decrease with corresponding decrease in deferred tax liability.

2. Basis of Preparation

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), which include the availment of the relief granted by the Securities and Exchange Commission (SEC) under Memorandum Circular Nos. 14-2018 and 3-2019 as discussed in the section below on Adoption of New and Amended Accounting Standards and Interpretations. PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC), as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

The accompanying consolidated financial statements as at and for the year ended December 31, 2020 were approved and authorized for issuance by the Board of Directors (BOD) on March 16, 2021.

Basis of Measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the following which are measured using alternative basis at each reporting date:

Financial assets at FVPL	Fair value
Financial assets at FVOCI	Fair value
Investment properties	Fair value
Retirement benefit obligation	Present value of the defined benefit obligation less fair value of plan assets

Functional and Presentation Currency
The consolidated financial statements are presented in Philippine peso, which is the presentation and functional currency of the Group. All financial information presented have been rounded to the nearest peso, unless otherwise stated.

Use of Estimates and Judgments
The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described in Note 32.

3. Cash and Cash Equivalents

This account consists of:

	2020	2019
Cash in banks	**P191,605,216**	P139,350,554
Cash on hand	**51,500**	48,500
Cash equivalents	**15,588,583**	79,031,529
	P207,245,299	P218,430,583

Cash in banks earn average annual interest ranging from 1.0% to 1.25% in 2020 and 2019. Cash equivalents represent short-term money market placements with maturities up to three months and earn annual interest at the prevailing short-term investment rates.

Interest income recognized amounted to P0.83 million, P1.21 million and P2.40 million as at December 31, 2020, 2019 and 2018, respectively (see Note 21).

4. Financial Assets at FVPL

This account is composed of listed equity securities that are held for trading amounting to P6,750,000. The fair values of these securities are based on quoted market price.

5. Financial Assets at FVOCI

As at December 31, financial assets at FVOCI consist of investments in:

	Note	2020	2019
At cost:			
Listed shares of stock		**P58,332,808**	P58,332,808
Golf and country club shares		**3,350,000**	3,350,000
		61,682,808	61,682,808
Accumulated unrealized holding loss	*28*	**(20,672,288)**	(25,988,878)
		P41,010,520	P35,693,930

The movements in this account are summarized as follows:

	Note	2020	2019
Balance at beginning of year		P35,693,930	P41,333,478
Fair value adjustments	*28*	5,316,590	(5,639,548)
Balance at end of year		P41,010,520	P35,693,930

These are investments in shares of stock of various listed equity securities, and golf and country club shares that present the Parent Company with opportunity for return through dividend income. The fair values of these investments are based on quoted market prices. Unrealized holding gains or losses from market value fluctuations are recognized as part of the Group's reserves.

The above investments in equity instruments are not held for trading and the Group irrevocably elected to present subsequent changes in fair values in OCI.

Unrealized holding gain (loss) recognized in other comprehensive income from financial assets at FVOCI amounted to P5.3 million in 2020, (P5.6) million in 2019 and (P15.4) million in 2018 (see Note 28).

Proceeds from disposal of investments amounted to nil, nil and P21,952,385 in 2020, 2019 and 2018, respectively.

Dividend income recognized in profit or loss amounted to nil, P716,722 and P626,337 in 2020, 2019 and 2018, respectively (see Note 22).

6. Trade and Other Receivables

This account is composed of:

	2020	2019
Trade:		
Sale of real estate	P1,087,032,291	P1,494,999,148
Lease	25,945,740	10,911,410
Management fees	9,575,876	8,188,370
Commission	6,503,890	420,558
Premiums receivable	-	3,009,253
Advances	38,798,168	46,446,609
Other receivables	183,447,504	167,901,338
	1,351,303,469	1,731,876,686
Less: allowance for impairment loss	98,324,311	106,688,269
	P1,252,979,158	P1,625,188,417

Trade receivables from sale of real estate include amounts due from buyers of the Parent Company's condominium projects, generally over a period of three (3) or four (4) years. The condominium certificates of title remain in the possession of the Parent Company until full payment has been made by the customers. Trade receivables due after one-year amounted P0.18 billion in 2020 and P1.27 billion in 2019. Trade receivables carry yield-to-maturity interest rates of 5.64% in 2020, 2019 and 2018. Interest income recognized amounted to P2,016,397, P2,484,558 and P1,020,842 in 2020, 2019 and 2018, respectively (see Note 21).

Certain trade receivables with total carrying value of P184.54 million as at December 31, 2020 are pledged to a local bank as collateral to the Parent Company's loans payable (see Note 15).

Advances consist mainly of advances to officers and employees.

In 2014, the Parent Company and Xcell entered into a final joint arrangement that will be the final settlement for both parties since Icon Residences and Icon Plaza were 100% completed and the objectives of the agreement were already achieved. The Parent Company's final settlement from the project amounted to a total of P891 million. As at December 31, 2020 and 2019, there are outstanding receivables from Xcell amounting to P9.7 million included in the other receivables.

Other receivables also consist of receivables amounting to P100.7 million as at December 31, 2020 and 2019 in relation to the parcels of land sold in 2014. The remaining balances are receivables from concessionaires.

Receivables amounting to P98.32 million and P106.69 million as of December 31, 2020 and 2019, respectively, were impaired and fully provided for. The allowance for doubtful accounts for trade receivables has been determined as follows:

	2020	2019
Subject to 12-month ECL	**P26,622,447**	P20,259,346
Subject to lifetime ECL	**71,701,864**	86,428,923
Total	**P98,324,311**	P106,688,269

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The security deposits and advance rental are considered in the calculation of impairment as recoveries. As of December 31, 2020, and 2019, the exposure at default amounts to P486 million and P359 million, respectively. The expected credit loss rate is 6% that resulted in the ECL of P26.6 million and P20.3 million as at December 31, 2020 and 2019, respectively (see Note 34).

Movements in allowance for impairment losses on receivables in 2020 and 2019 are as follows:

	Note	**2020**	2019
Balance at beginning of year		**P106,688,269**	P25,929,904
Provisions for the year	*24*	**5,107,257**	80,758,365
Reversal of provisions	*22*	**(13,471,215)**	-
Balance at end of year		**P98,324,311**	P106,688,269

7. Real Estate Inventories

This account consists of:

	2020	2019	2018
In progress:			
Andrea North SkyVillas Tower	P112,178,615	P209,667,249	P652,132,911
Andrea North Estate	137,714,537	88,058,328	72,612,549
BGC Project	223,055,991	154,516,512	54,522,805
	472,949,143	452,242,089	779,268,265
Completed units:			
Andrea North Skyline Tower	144,979,500	182,695,848	219,779,747
The Icon Plaza	40,864,850	40,864,849	19,846,249
Casa Miguel	6,895,314	6,895,314	6,895,314
	192,739,664	230,456,011	246,521,310
Land held for development:			
New Manila, Quezon City	135,366,913	135,366,913	135,566,913
Baguio	-	341,066,697	269,892,466
	135,366,913	476,433,610	405,459,379
	P801,055,720	P1,159,131,710	P1,431,248,954

BGC Project represent the cost of the master plan design of the new towers in BGC.

In July 2011, the Parent Company had a joint arrangement with Xcell for the development of a residential/commercial condominium on the Parent Company's Fort Bonifacio lot to be called "The Icon Plaza." The Parent Company contributed lot 9-4 to the joint arrangement and in return will receive twenty percent (20%) of the aggregated area of all the completed and saleable units of the project, plus 35% of the joint arrangement's pre-tax profits from the project which was agreed by the parties in 2014 to amount to P891 million.. The Parent Company's share on the saleable area of The Icon Plaza under joint arrangement with Xcell is recorded as real estate inventories.

In December 2020, the Parent Company entered in to a lease agreement with PRHC Property Managers, Inc. (PPMI) to lease the Baguio property to for a period of two (2) years. This lease is renewable upon mutual agreement of both parties. Consequently, due to the change in use, the Baguio property was reclassified to investment property (see Note 10).

Certain real estate inventories are mortgaged as collaterals to loans (see Note 15).

The cost of real estate inventories recognized as cost of sales amounted to P161,787,110, P583,833,983 and P594,013,963 in 2020, 2019 and 2018, respectively.

8. Prepayments and Other Assets

This account consists of:

	2020	2019
Prepaid taxes	P155,834,221	P155,834,221
Creditable withholding tax	151,768,771	127,043,469
Prepaid expenses	78,347,856	93,996,571
Deposits	4,723,660	4,723,660
Deferred input VAT	4,428,704	14,041,807
Input tax – net	212,832	127,343
Other assets	13,422,930	10,559,414
	P408,738,974	P406,326,485

Prepaid taxes are unutilized creditable withholding taxes, a portion of which was filed for refund with the Bureau of Internal Revenue.

Creditable withholding tax is the tax withheld by the customers from their payment to the Group and which tax is creditable against the income tax payable of the Group.

Prepaid expenses consist of advance payment for rent, real property tax, insurance premium and membership dues.

Deposits pertain to refundable deposits paid to utility companies. These also include security deposits paid in relation to an office lease agreement.

9. Investments in and Advances to Associates

Details of the ownership interests in associates as at December 31 are as follows:

	2020	2019
Le Cheval Holdings, Inc. (LCHI)	45%	45%
Alexandra (USA), Inc. (AUI)	45%	45%
Meridian Assurance Corporation	30%	30%

Details of investments in and advances to associates are as follows:

	2020	2019
Meridian Assurance Corporation		
Investment - acquisition cost	P88,875,080	P88,875,080
Release of investment	(7,045,222)	-
Investment - acquisition cost	81,829,858	88,875,080
Accumulated equity in net loss:		
Balance at beginning of year	(14,390,427)	(12,335,756)
Equity in net loss for the year	(3,409,093)	(2,054,671)
Balance at end of year	(17,799,520)	(14,390,427)
	P64,030,338	P74,484,653

Forward

	2020	2019
Le Cheval Holdings, Inc.		
Investment - acquisition cost	P11,250	P11,250
Allowance for impairment loss	(11,250)	(11,250)
	-	-
Accumulated equity in net income:		
Balance at beginning of year	125,149	134,129
Equity in net loss for the year	-	(8,980)
Balance at end of year	125,149	125,149
	125,149	125,149
Alexandra (USA), Inc.		
Investment - acquisition cost	14,184,150	14,184,150
Allowance for impairment loss	(14,184,150)	(14,184,150)
	-	-
Advances to AUI	132,417,765	132,417,765
Allowance for unrecoverable advances	(132,417,765)	(132,417,765)
	-	-
	P64,155,487	P74,609,802

The Parent Company's management performed an assessment for impairment on its investment in and advances to associates. The imminent liquidation of Alexandra USA, Inc. (AUI) indicates the possible impairment in the value of investment in this entity. In 2011, the Parent Company provided an allowance for impairment loss amounting to P14,184,150 for investments in AUI. The advances were likewise provided with 100% allowance.

The Parent Company also provided an allowance for impairment loss amounting to P11,250 for investments in LCHI.

Aggregated amounts relating to associates are as follows:

	2020	2019
Meridian Assurance Corporation (MAC)		
Total assets	P245,278,345	P288,669,121
Total liabilities	32,858,619	39,456,488
Net assets	212,419,726	249,212,633
Income	13,419,950	14,572,878
Cost and expenses	(24,783,586)	(21,421,781)
Net loss	(P11,363,636)	(P6,848,903)
Le Cheval Holdings, Inc. (LCHI)		
Total assets	P45,362	P45,362
Total liabilities	142,248	142,248
Net liabilities	(96,886)	(96,886)
Income	-	-
Cost and expenses	-	(19,955)
Net loss	P -	(P19,955)

The following are the principal activities of the Group's Associates:

Meridian Assurance Corporation
MAC was incorporated and registered with the SEC on March 16, 1960, renewed on November 13, 2007, primarily to engage in the business of insurance and guarantee of any kind and in all branches except life insurance, for consideration, to indemnify any person, firm or corporation against loss, damage or liability arising from any unknown or contingent event, and to guarantee liabilities and obligations of any person, firm or corporation and to do all such acts and exercise all such powers as may be reasonably necessary to accomplish the above purposes which may be incidental.

MAC did not comply with the minimum capital requirement set by the Insurance Commission as of December 31, 2016, as it is ceding its insurance business portfolio to another insurance company. MAC, however, will continue servicing the administrative requirements of all outstanding policies issued until their expiry. On March 30, 2017, MAC wrote the Insurance Commission to apply for a license as a servicing company and tendered its Certificate of Authority (CA) as non-life insurance company. Pending issuance of the servicing license, MAC still issued new policies up to April 30, 2017. On May 1, 2017, the Insurance Commission approved MAC's application as a servicing company and issued a servicing license. As a servicing insurance company, MAC's transactions are confined to: (i) accepting periodic premium payments from its policyholders; (ii) granting policy loans and paying cash surrender values of outstanding policies to its policyholders; (iii) reviving lapsed policies of its policyholders, and (iv) such other related services. Upon divestment of the insurance business, MAC plans to engage in the business of asset management.

In 2020, the Insurance Commission approved the release of the contingency surplus of MAC to its stockholders. The Parent Company received its 30% share amounting to P7,045,222.

The registered office of MAC is at 2003-B East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City. Aside from its head office in Metro Manila, it maintains offices in the cities of Cebu and Davao.

Le Cheval Holdings, Inc.
LCHI was incorporated and registered with the SEC on August 30, 1994 as a holding company and commenced operations as such by acquiring the majority outstanding shares of stock of Philippine Racing Club, Inc. (PRCI), a holding company incorporated in the Philippines. In 1996, LCHI sold its shares of stock with PRCI. Thereafter, LCHI became inactive.

Alexandra (USA), Inc.
AUI was incorporated in the United States of America (USA). AUI is involved in property development in Florida, USA. AUI is jointly owned with GPI (45%) and Warrenton Enterprises Corporation (10%) of William Cu-Unjieng. AUI is in the process of liquidation after the completion of the projects in Naples and Orlando. No information was obtained in the financial status and operations of AUI since 2012.

10. Investment Properties

The Group obtained the services of an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The effects are detailed below:

	Note	2020	2019
Balance, beginning		**P2,223,285,470**	P1,693,172,141
Additions		**61,376,533**	69,659,161
Reclassification from (to) inventory	*7*	**341,066,697**	(86,241,562)
Gain on change in fair value	*22*	**286,750,907**	546,695,730
Balance, ending		**P2,912,479,607**	P2,223,285,470

An independent valuation of the Group's investment properties as of December 9, 2020 and December 16, 2020 was performed by an independent appraiser accredited with both the PSE and the SEC to determine their fair value. The external independent appraiser used sales comparison approach in arriving at the value of the properties. In this approach, the value of the properties is based on sales and listings of comparable properties. This is 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 or at a different floor level of the same building. Comparison would be premised on factors such as location, size and physical attributes, selling terms, facilities offered and time element.

In 2020 and 2019, the Parent Company acquired condominium units and parking spaces of PSE Tower I and II.

Details of investment properties are as follows:

	2020	2019
Condominium units and parking spaces		
PSE Tower I	**P1,501,557,180**	P1,355,498,720
PSE Tower II	**654,934,490**	630,856,610
Baguio - residential properties	**474,069,719**	-
Icon Plaza	**281,918,218**	236,930,140
	P2,912,479,607	P2,223,285,470

Rental income recognized from the investment properties amounted to P69,119,550 in 2020, P49,396,324 in 2019, and P76,466,492 in 2018. Real property taxes attributable to the investment property amounted to P22,124,552 in 2020, P8,693,849 in 2019 and P6,008,868 in 2018 are included as part of taxes and licenses in cost of services. Condominium dues attributable to the investment properties amounted to P10,127,213 in 2020, P11,117,177 in 2019 and P9,247,509 in 2018 are included also in cost of services.

Certain investment properties are mortgaged as collateral to loans (see Note 15).

In 2019, the management decided to change the plan for the Baguio property previously recorded as investment property from held for development to earn rental income to held for development and sale. In effect, the property was reclassified as inventory.

In December 2020, the Baguio Property which consists of land with total area of 16,158sqm, buildings and other land improvements was returned to investment property from real estate inventories under land for development due to commencement of an operating lease with another party, as disclosed in Note 7.

11. Property and Equipment

The details of the carrying amounts of property and equipment, the gross carrying amounts, and accumulated depreciation and amortization of property and equipment are shown below:

	For the Years Ended December 31, 2020 and 2019				
	Condominium Units, Building and Building Improvements	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Leasehold and Office Improvements	Total
Cost					
January 1, 2019	P115,496,698	P25,326,969	P56,541,454	P1,221,181	P198,586,302
Additions	-	2,590,130	8,852,517	-	11,442,647
Impairment loss	(19,406,340)	-	-	-	(19,406,340)
December 31, 2019	96,090,358	27,917,099	65,393,971	1,221,181	190,622,609
Additions	336,841	295,689	1,363,017	-	1,995,547
Disposal	-	-	(381,696)	-	(381,696)
December 31, 2020	96,427,199	28,212,788	66,375,292	1,221,181	192,236,460
Accumulated Depreciation and Amortization					
January 1, 2019	28,195,385	22,102,513	28,751,049	1,093,055	80,142,002
Provision	3,336,010	3,768,991	9,381,777	15,457	16,502,235
December 31, 2019	31,531,395	25,871,504	38,132,826	1,108,512	96,644,237
Provision	3,370,946	1,784,574	9,585,882	15,457	14,756,859
Disposal	-	-	(209,933)	-	(209,933)
December 31, 2020	34,902,341	27,656,078	47,508,775	1,123,969	111,191,163
At December 31, 2019	P64,558,963	P2,045,595	P27,261,145	P112,669	P93,978,372
At December 31, 2020	**P61,524,858**	**P556,710**	**P18,866,517**	**P97,212**	**P81,045,297**

Certain transportation equipment of the Group with total carrying value of P19.89 million and P22.68 million and as at December 31, 2020 and 2019, respectively are pledged as security under chattel mortgage (see Note 15).

12. Leases

Lease agreement as lessee

The Parent Company leases two parcels of land located at 5th Avenue corner 25th Street, Bonifacio Global City, Taguig City. These contracts have a term of fifteen (15) years, renewable for another ten years upon submission of a written notice to renew at least ninety days prior to the expiration of the original term, with terms and conditions mutually agreed by both parties.

The Parent Company also leases a condominium unit located at the 20th Floor, East Tower of Philippine Stock Exchange Centre, Exchange Centre, Exchange Road, Ortigas Center, Pasig City. The contract has a term of five (5) years and is renewable upon mutual agreement of both parties.

The carrying amount of right-of-use assets as at December 31, 2020 and 2019 is shown below.

	2020	2019
Right-of-use assets	P117,558,116	P117,558,116
Accumulated amortization	(19,390,990)	(9,695,495)
Carrying amount	P98,167,126	P107,862,621

A maturity analysis of lease liabilities based on discounted gross cash flows is reported in the table below:

	2020	2019
Less than 1 year	P14,459,726	P14,112,902
More than 1 year	187,879,730	202,339,455
Total lease liabilities	P202,339,456	P216,452,357

Amounts recognized in profit or loss:

	Note	2020	2019
Depreciation expense	*23,24*	P9,695,495	P9,695,495
Interest expense		9,661,848	9,413,508

Total expenses on short-term leases amounted to P681,791, P633,233 and P663,572 in 2020, 2019 and 2018, respectively (see Notes 23 and 24).

Lease agreements as lessor

A. The Parent Company entered into a sublease contract relating to one of the parcels of land being leased in BGC as discussed above. This agreement was assessed by the management to be of a financing lease. This agreement is renewable at the end of the lease term of initially fifteen (15) years upon mutual consent of the parties.

Receivable under finance lease	2020	2019
Year 1	P22,545,600	P22,176,000
Year 2	23,284,800	22,545,600
Year 3	23,672,896	23,284,800
Year 4	24,449,088	23,672,896
Year 5	24,856,576	24,449,088
Onwards	183,019,840	207,876,416
Undiscounted lease payments	301,828,800	324,004,800
Present value of minimum lease payments receivable	P230,261,995	P241,562,399

Amounts recognized in profit or loss:

	Note	2020	2019
Interest income	*21*	P10,875,595	P10,405,989
Gain on sublease	*22*	-	139,125,678

B. The Group entered into short-term lease agreements including condominium units, office spaces and food plaza spaces. The lease contracts between the Group and its lessees have a term of one year which are renewable annually.

Total rental income earned in 2020, 2019 and 2018 amounted to P69.34 million, P50.85 million and P102.12 million, respectively.

Deferred rental income classified under other non-current liabilities amounting to P39.47 million and P41.54 million as of December 31, 2020 and 2019, respectively, pertains to advance rent received from lessees to be applied on the last three (3) months of the lease contract.

Refundable deposits on these lease agreements amounted to P17,827,514 and P21,070,902 in 2020 and 2019, respectively, and are included as part of trade and other payables as disclosed in Note 13.

13. Trade and Other Payables

This account consists of:

	Note	2020	2019
Trade payables		**P111,961,462**	P120,965,637
Accrued expenses		**64,300,871**	64,397,632
Retention fees payable		**41,190,780**	56,012,941
Customers' deposits		**33,659,390**	77,534,329
Refundable deposits	*12*	**17,827,514**	21,070,902
Due to government agencies		**4,431,946**	19,356,761
Due to insurance companies - net		**1,543,478**	-
Output value added tax – net		**-**	914
Others		**1,666,064**	123,719
		P276,581,505	P359,462,835

Non-current portion of trade and other payables amounted to P148,000,694 and P120,758,909 as at December 31, 2020 and 2019, respectively.

Accrued expenses consist of unpaid liabilities on outside services, insurance, supplies and other expenses.

Retention fees payable pertain to retention fees withheld from the contractors of ongoing and completed projects.

Customers' deposits consist of down payments representing less than 25% of the contract price of the condominium unit sold received from each customer which are deductible from the total contract price.

Due to government agencies consist mainly of payable to the Bureau of Internal Revenue, SSS, HDMF and Philhealth.

Others consist of refunds payable, commission payable and unearned rent income.

14. Unearned Income

The Parent Company has an on-going project called the Andrea North SkyVillas Tower ("SkyVillas"). SkyVillas started construction in 2011 and is 99.96% complete as at December 31, 2020 and 2019.

Details of unearned income are as follows:

	2020	2019
SkyVillas Tower		
Total sales value of completed units	P3,403,454,645	P3,239,107,500
Percentage uncompleted	.04%	.04%
	P1,361,382	P1,295,643

15. Loans and Note Payable

Loans Payable

The movements in the loans payable are summarized as follows:

	2020	2019
Balance at beginning of year	P1,151,824,960	P660,679,049
Availments of loan	831,343,910	857,071,000
Payments of principal	(952,575,586)	(365,925,089)
Balance at end of year	P1,030,593,284	P1,151,824,960

Interest on loans payable amounted to P24,864,954, P7,331,220 and P8,474,222 as at December 31, 2020, 2019 and 2018, respectively. Interest on loans payable capitalized as part of real estate inventories amounted to P61,561,281 and P64,554,325 in 2020 and 2019, respectively.

The account is composed of the following:

	2020	2019
Payable within one year:		
Philippine Bank of Communications	P200,660,372	P122,520,371
Philippine National Bank	100,000,000	350,000,000
Maybank Philippines, Inc.	30,137,149	-
Union Bank of the Philippines	5,313,014	5,206,899
RCBC Savings Bank	3,402,557	2,962,245
	339,513,092	480,689,515
Payable after one year:		
Philippine Bank of Communications	525,495,279	654,295,652
Maybank Philippines, Inc.	154,401,777	-
Union Bank of the Philippines	7,258,169	11,303,778
RCBC Savings Bank	3,924,967	5,536,015
	691,080,192	671,135,445
	P1,030,593,284	P1,151,824,960

Maybank Philippines, Inc. (Maybank)
In 2016, the Parent Company entered into a loan and hold-out agreement with Maybank. In April 2016, Maybank approved a P150 million credit line under which the Parent Company drew down P80 million in April 2016 and P70 million in May 2016. These loans are payable three (3) years from date of drawdown.

These loans bear 3.75% interest rate, payable monthly in arrears and secured by hold-out rights in favor of Maybank over the time deposit covering the total amount of P150 million maintained by GPI in Maybank Ortigas Branch.

This loan has been fully paid as at December 31, 2019.

On February 27, 2020, the Parent Company entered into a contract to sell receivables with recourse with Maybank for a total amount of P200 million, of which P184.54 million are outstanding as at December 31, 2020. These loans bear an interest of 6.75% subject to annual re-pricing with lump-sum payment upon maturity.

Union Bank of the Philippines (UBP)
In July 2016, the Parent Company availed car loans from Union Bank which bears 9.11% interest and is payable in installment over sixty (60) months. These loans are secured by certain transportation equipment of the Group (see Note 11).

RCBC Savings Bank (RCBC)
In July 2017, the Parent Company availed car loans from RCBC Savings Bank which bear 8.72% interest and are payable in installment over sixty (60) months. These loans are secured by certain transportation equipment of the Group (see Note 11).

Philippine Bank of Communications (PBCom)
In 2017, the Parent Company entered into a bridge funding agreement with PBCom. PBCom approved a P1.1 billion credit line under which the Parent Company drew down P500 million in 2017, P500 million in 2019 and P100 million in 2020. These loans are payable within five (5) years from date of drawdown. These loans bear 6% interest rate, payable quarterly in arrears and secured by certain condominium units and other properties mortgaged in favor of PBCom with total carrying amount of P2.1 billion as at December 31, 2020.

Philippine National Bank (PNB)
In 2019, the Parent Company availed working capital loans from Philippine National Bank with a total principal amount of P800 million which has been fully paid in 2020. The Parent Company availed new loans in 2020 with total principal amount of P100 million. These loans bear an interest of 5.25% annually and payable within three (3) months subject to extension upon lapse of the maturity date. Interest rates will then be re-evaluated to conform with the current period's rate. These loans are secured by the land in New Manila Quezon City with the carrying amount of P135.4 million (see Note 7).

Note Payable

RCBC Savings Bank
In 2019, PPMI availed of a five-year note payable amounting to P3,744,000 from a local bank to finance the purchase of transportation equipment. The note carries interest at 11.04% per annum. The loan was obtained in February 2019 and will mature in February 2024.

The movements in the note payable are summarized as follows:

	2020	2019
Balance at beginning of year	P3,261,341	P -
Availments of loan	-	3,744,000
Payments of principal	(528,947)	(482,659)
Balance at end of year	P2,732,394	P3,261,341

Outstanding balance of note is composed of the following:

	2020	2019
Payable within one year	P826,824	P968,952
Payable after one year	1,905,570	2,292,389
	P2,732,394	P3,261,341

Interest expense charged to profit or loss amounted to P278,513 and P324,801 in 2020 and 2019, respectively.

16. Related Party Transactions

The details of related party transactions and balances are as follows:

As at and for the year ended December 31, 2020:	Transactions	Outstanding balance	Terms and conditions
Sale of real estate inventories			Sales of condominium units to related parties are based on the effective price list and terms that would be available to third parties. The receivables are secured with related units until full payment; and payable monthly in two (2) years.
Principal Shareholder			
Greenhills Properties, Inc.			
Collections during the year	P73,863,594	P51,892,140	
Gain on repossession of asset	12,057,967	-	
Purchase of services			Purchases of services are negotiated with related parties on a cost-plus basis and are due 30 days after the end of the month. These receivables are unsecured and bear no interest and settled in cash.
Subsidiary			
Tektite Insurance Brokers, Inc.			
Purchase of services	7,945,497		
Payments during the year	(7,945,497)	-	
PRHC Property Managers, Inc.			
Purchase of services	-		
Payments during the year	-	-	
Advances			Advances to subsidiaries and associates are unsecured, non-interest bearing and to be settled in cash.
Alexandra (USA), Inc., Associate	-	132,417,765	
Le Cheval Holdings, Inc., Associate	-	122,248	
Meridian Assurance Corp. Associate	627	(16)	
Less: Allowance for impairment loss	(122,232)	(132,539,997)	
Balance, net	(121,605)	-	
Interest expense			In 2020, the Parent Company paid its 30% share on the interest expense of the loan related to contingency surplus.
Associate			
Meridian Assurance Corp.			
Payments during the year	(1,981,749)	-	

Forward

As at and for the year ended December 31, 2020:	Transactions	Outstanding balance	Terms and conditions
Key management personnel			Key management includes directors (executive and non-executive) and executive officers. Short-term benefits are payable monthly and termination benefits are payable upon retirement
Short-term benefits			
Salaries and other short-term employee benefits	17,694,348	-	
Termination benefits		-	
Provision for retirement benefits/PVO	6,670,000	-	

As at and for the year ended December 31, 2019:	Transactions	Outstanding balance	Terms and conditions
Sale of real estate inventories			Sales of condominium units to related parties are based on the effective price list and terms that would be available to third parties. The receivables are secured with related units until full payment; and payable monthly in two (2) years.
Principal Shareholder			
Greenhills Properties, Inc.			
Collections during the year	P39,556,687	P125,755,734	
Gain on repossession of asset	4,912,075	-	
Purchase of services			Purchases of services are negotiated with related parties on a cost-plus basis and are due 30 days after the end of the month. These receivables are unsecured and bear no interest and settled in cash.
Subsidiary			
Tektite Insurance Brokers, Inc.			
Purchase of services	5,725,628		
Payments during the year	(5,725,628)	-	
PRHC Property Managers, Inc.			
Purchase of services	-		
Payments during the year	(79,254)	-	
Advances			Advances to subsidiaries and associates are unsecured, non-interest bearing and to be settled in cash.
Alexandra (USA), Inc., Associate	-	132,417,765	
Le Cheval Holdings, Inc., Associate	19,955	122,248	
Meridian Assurance Corp. Associate	-	(643)	
Less: Allowance for impairment loss		(132,417,765)	
Balance, net	19,955	121,605	
Loans payable			
Associate			
Meridian Assurance Corp.			
Payments during the year	(50,000,000)	-	See Note 15.
Key management personnel			Key management includes directors (executive and non-executive) and executive officers. Short-term benefits are payable monthly and termination benefits are payable upon retirement
Short-term benefits			
Salaries and other short-term employee benefits	15,894,348	-	
Termination benefits	-	-	
Provision for retirement benefits/PVO	6,268,941	-	

Management Services

The Group provides general management services and financial management and supervision over the janitorial and security services for the efficient administration of the properties of GPI, the ultimate parent company, and third parties, collectively referred herein as property owners. In consideration for said services, the Group charges the property owners a fixed monthly amount, with a 10% escalation rate annually. These management contracts are renewable for a period of two (2) to three (3) years upon mutual agreement of both the Group and the property owners.

Advances to (from) related parties

The Parent Company's substantial receivables from AUI, an associate, which is intended to fund the latter's working capital requirement, represents non-interest-bearing advances with no fixed term with the option to convert to equity in case of increase in capital. Advances contributed by AUI's stockholders were in accordance with the percentage of ownership of the stockholders in AUI. With the imminent liquidation of AUI, the receivables have been fully provided with an allowance since 2011.

17. Retirement Benefit Plans

The Parent Company and TIBI operate funded, non-contributory defined benefit retirement plans covering substantially all of their regular employees. The plans are administered by local banks as trustee and provide for a lump-sum benefit payment upon retirement. The benefits are based on the employees' monthly salary at retirement date multiplied by years of credited service. No other post-retirement benefits are provided.

PPMI has an unfunded, noncontributory defined benefit retirement plan.

Through their defined benefit retirement plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

- *Asset volatility* - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.

- *Inflation risk - Some of the Group retirement obligations are linked to inflation, and higher inflation will lead to* higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plans' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by an independent actuary on February 22, 2021 for the year ended December 31, 2020. The present values of the defined benefit obligations, the related current service costs and past service costs were measured using the Projected Unit Credit Method.

Key assumptions used for the Parent Company:

	Valuation at	
	2020	2019
Discount rate	**3.96%**	5.00%
Future salary increase	**4.00%**	4.00%

Key assumptions used for PPMI:

	Valuation at	
	2020	2019
Discount rate	**4.13%**	5.22%
Future salary increase	**6.00%**	6.00%

Key assumptions used for TIBI:

	Valuation at	
	2020	2019
Discount rate	**3.47%**	5.80%
Future salary increase	**3.00%**	5.00%

Assumptions regarding future mortality and disability are set based on actuarial advice in accordance with published statistics and experience.

The reconciliation of the present value of the defined benefit obligation (DBO) and the fair value of the plan assets to the recognized liability presented as accrued retirement liability in the consolidated statements of financial position is as follows:

	2020	2019
Present value of defined benefit obligation	P101,087,591	P87,327,537
Fair value of plan assets	27,666,680	32,006,878
Recognized liability	P73,420,911	P55,320,659

The movements in the present value of defined benefit obligation are shown below:

	2020	2019
Liability at beginning of year	P87,327,537	P56,239,182
Current service cost	12,252,598	7,574,137
Interest cost	4,264,383	3,542,455
Adjustments	770,152	-
Benefits paid from Company operating funds	(5,501,967)	(432,000)
Benefits paid from plan assets	(5,265,029)	-
Remeasurement losses (gains)		
Changes based on experience	(3,762,130)	3,050,851
Changes in financial assumptions	11,002,047	17,352,912
Liability at end of year	P101,087,591	P87,327,537

The movements in the plan assets are shown below:

	2020	2019
Fair value of plan assets at beginning of year	P32,006,878	P30,839,705
Contributions of the employers to the plans	2,000,000	-
Interest income	1,920,140	2,176,054
Adjustments	319,841	-
Benefits paid	(5,265,029)	-
Remeasurement loss		
Return on plan assets, excluding amounts included in interest income	(3,315,150)	(1,008,881)
Fair value of plan assets at end of year	P27,666,680	P32,006,878

The Group expects to contribute P17,817,298 to the retirement fund in 2021.

The major category of plan assets as of December 31, 2020 and 2019 are as follows:

	2020	2019
Cash and cash equivalents	P21,197,981	P22,942,530
Equity instruments	6,463,059	9,064,348
Accrued interest	5,640	-
	P27,666,680	P32,006,878

The retirement expense recognized in profit or loss consists of:

	2020	2019	2018
Current service cost	P12,252,598	P7,574,137	P9,524,942
Net interest on defined benefit liability	2,344,243	1,366,401	1,483,413
	P14,596,841	P8,940,538	P11,008,355

The retirement expense is recognized as part of employees' benefits under operating expenses in the consolidated statements of total comprehensive income.

The sensitivity analysis of the defined benefit obligation is:

	Increase (decrease) in basis points	Effect on defined benefit obligation
Discount rate	1.00%	(P5,313,643)
	(1.00%)	6,840,583
Future salary increase	1.00%	7,594,690
	(1.00%)	(4,754,161)

The above sensitivity analyses are based on changes in principal 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 liability recognized in the consolidated statements of financial position.

The BOD reviews the level of funding required for the retirement fund. This includes the asset-liability matching (ALM) strategy and investment risk management policy. The Group's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligation.

As of December 31, 2020, the weighted average duration of defined benefit obligation is 19.63 years (2019: 20.15 years).

18. Provisions and Contingencies

Parent Company

In 1998, the Parent Company sued Universal Leisure Corporation (ULC) for failing to pay the remaining sales price of condominium units. ULC bought the penthouse unit located in the 34th floor of the West Tower of the Philippine Stock Exchange Centre and 74 parking slots located at the Podium 3 Parking Level of the West Tower under two Contracts to Sell. After paying the down payment, ULC refused to pay the balance due in the principal sums of P32.5 million and P32.4 million. In February 2004, a decision was rendered in favor of the defendant on the account that ULC is an assignee of receivables of DMCI Project Developers, Inc. (DMCI-PDI) and Universal Rightfield Property Holdings, Inc. (URPHI). These receivables are allegedly owed by the Parent Company to DMCI-PDI and URPHI as a result of cancellation of a joint venture agreement in 1996 entered into by the Parent Company, DMCI-PDI and URPHI. The Parent Company was ordered to either (i) deliver to ULC the titles of the condominium units and return to ULC, as assignee of defendants DMCI and URPHI, the amount of P24.7 million or; (ii) to return to ULC the amounts which have been paid including what have been deemed paid over the penthouse unit and the parking spaces, and pay attorney's fees of P600,000. The Parent Company appealed the decision to the Court of Appeals which affirmed the trial court's decision with modification that reduced the attorney's fees from a total of P600,000 to P150,000. During 2011, the Parent Company provided an allowance of P15,507,800 for accounts receivable that are deemed not recoverable from ULC. In December 2012, the Parent Company filed a motion for Reconsideration and the same was denied. Thereafter, the Parent Company filed a Petition for Review on Certiorari with the Supreme Court where the matter resulted to amicable settlement and termination of legal proceedings.

In October 2018, the Parent Company initiated discussions on amicable settlement with ULC offering the return of the amounts paid and deemed paid for the penthouse unit and the 74 parking slots in exchange for getting back the said properties. The parties were able to execute a settlement agreement on February 19, 2019, wherein the Parent Company will pay ULC a total amount of P231,000,000, covering the return of the amounts paid/deemed paid by ULC (for itself and as assignee of DMCI-PDI and URPHI) for the penthouse unit located in the 34th floor, West Tower of the Philippine Stock Exchange Centre (formerly Tektite Towers) containing a floor area of 2,370 square meters and 74 parking slots located at the Podium 3 Parking Level of the West Tower of the Philippine Stock Exchange Centre which shall all be returned to the Parent Company, plus total legal fees of P150,000.

With the settlement, ULC allowed the Parent Company to withdraw P18,808,073 from the joint account set-up for the discontinued joint venture project by and among the Company, DMCI-PDI and URPHI. DMCI-PDI and URPHI contributed the funds in the joint venture account. The Parent Company had to reverse the sale transactions it previously booked and reinstated the investment properties returned at their cost of P180.62 million and had to recognize a net loss on the settlement of P62.07 million (see Note 25).

The Parent Company is also a party to legal claims that arise in the ordinary course of business, the outcome of which is not presently determinable. The Parent Company and its legal counsel, however, believe that final settlement, if any, will not be material to the Parent Company's financial results.

Subsidiaries

Certain subsidiaries are defendants or parties in various lawsuits and claims involving civil and labor cases. In the opinion of the subsidiaries' management, these lawsuits and claims, if decided adversely, will not involve sums having material effect on the subsidiaries' financial position or results of operations.

Management believes that the final settlement, if any, of the foregoing lawsuits or claims would not adversely affect the Group's financial position or results of operations.

Accordingly, no provision has been made in the accounts for these lawsuits and claims.

19. Management Fees

The Group provides general management services and financial management and supervision over the janitorial and security services through PPMI. In consideration for the said services, the Group charges the property owners a fixed monthly amount with a 10% escalation rate annually. These management contracts are renewable for a period of two (2) to three (3) years upon mutual agreement of both PPMI and the property owners. The Group is entitled to fixed reimbursement of actual cost of the on-site staff. The total income from management fees amounted to P42.85 million, P42.95 million and P34.05 million in 2020, 2019 and 2018, respectively.

20. Commission

The Group's commission income was derived from the following activities:

	2020	2019	2018
Insurance brokerage	**P4,455,984**	P5,727,141	P6,583,300
Others	**-**	-	92,726
	P4,455,984	P5,727,141	P6,676,026

21. Interest Income

The Group's interest income was derived from the following:

	Note	2020	2019	2018
Sublease	*12*	**P10,875,595**	P10,405,989	P -
Trade receivables	*6*	**2,016,397**	2,484,558	1,020,842
Cash and cash equivalents	*3*	**836,357**	1,211,762	2,401,445
Others		**-**	595,589	152,517
		P13,728,349	P14,697,898	P3,574,804

22. Other Income

The account consists of:

	Note	2020	2019	2018
Gain on fair value adjustment of investment properties	*10*	**P286,750,907**	P546,695,730	P511,432,937
Gain on sublease	*12*	**-**	139,125,678	-
Gain on money market investments		**-**	1,191,166	-
Dividend income	*5*	**-**	716,722	626,337
Reversal of various payables and accruals		**-**	24,484	109,006,274
Unrealized foreign exchange gain		**-**	-	1,809,732
Others	*6,16*	**23,425,204**	8,618,937	38,656,658
		P310,176,111	P696,372,717	P661,531,938

In 2018, the Group reversed its long outstanding balances of retention and other payables.

Others mainly consists of reversal of allowance for impairment losses on receivables and gain on repossession of assets.

23. Cost of Services

The account consists of:

	Note	2020	2019	2018
Salaries, wages, and other benefits		P25,810,786	P26,911,745	P27,803,914
Taxes and licenses		23,352,566	10,304,356	6,172,262
Condominium dues	10	10,127,213	11,117,177	9,247,509
Depreciation and amortization				
ROU assets	12	8,430,511	-	-
Property and equipment	11	-	-	68,195
Utilities		4,283,890	4,238,935	2,892,057
Outside services		3,745,552	6,288,051	11,065,543
Insurance and bond premiums		2,050,936	3,127,328	2,270,615
SSS, Pag-IBIG and other contributions		1,787,728	1,717,588	1,298,923
Repairs and maintenance		788,667	2,377,622	1,226,447
Rental	12	604,252	546,389	663,572
Commission		357,785	1,785,976	864,270
Supplies and materials		258,385	1,182,353	1,463,359
Employees' welfare		77,419	227,813	1,944,651
Transportation and travel		-	-	25,648
Others		1,479,285	2,376,492	3,484,214
		P83,154,975	P72,201,825	P70,491,179

Others include various expenses that are individually insignificant.

24. General and Administrative Expenses

The account consists of:

	Note	2020	2019	2018
Salaries, wages, and other benefits		P83,787,422	P74,824,822	P61,310,140
Taxes and licenses		51,393,428	56,292,444	40,926,242
Marketing expense		47,599,104	164,028,600	194,616,920
Professional fees		20,094,194	19,684,880	27,994,929
Transportation and travel		16,448,165	13,652,839	35,247,324
Depreciation and amortization				
Property and equipment	11	14,756,859	16,502,235	13,410,703
ROU assets	12	1,264,984	9,695,495	-
Provision for retirement benefits	17	14,596,841	8,940,538	11,008,355
Repairs and maintenance		7,304,244	3,060,696	144,552
Insurance and bond premiums		5,570,144	8,488,329	11,108,663
Provision for impairment loss on trade and other receivables	6	5,107,257	80,758,365	26,262,781
Outside services		5,044,580	5,095,746	6,974,218
Condominium dues		5,044,517	5,692,247	11,826,094
SSS, Pag-IBIG, Medicare and other benefits		4,943,382	15,894,347	11,202,768
Utilities		3,076,739	2,161,708	2,459,768
Postage and communication		2,055,719	1,588,988	1,920,092
Representation and entertainment		644,978	167,868	17,738,010

Forward

	Note	2020	2019	2018
Supplies and materials		P154,644	P144,293	P141,468
Corporate social responsibility		100,000	5,625	869,372
Rental	*12*	77,539	86,844	-
Provision for impairment loss on property and equipment	*11*	-	19,406,340	-
Membership dues		-	108,850	-
Impairment loss on other assets		-	-	16,637,343
Miscellaneous		6,867,826	6,096,247	14,742,204
		P295,932,566	P512,378,346	P506,541,946

Miscellaneous expenses include PSE fees, trainings and seminars, donations and contributions, fines, penalties and various petty expenses.

25. Other Expenses

The account consists of:

	Note	2020	2019	2018
Foreign exchange loss		P1,183,942	P403,018	P -
Bank charges		447,417	206,995	372,073
Loss on money market investment		29,041	-	886,578
Loss on settlement of lawsuit	*18*	-	-	62,066,927
Loss on disposal of property and equipment		-	-	308,313
Others		-	1,637	88
		P1,660,400	P611,650	P63,633,979

26. Income Taxes

The components of income tax expense are as follows:

	2020	2019	2018
Current	P3,629,744	P18,780,222	P15,037,882
Deferred	79,126,494	193,447,090	163,802,340
	P82,756,238	P212,227,312	P178,840,222

The reconciliation of the provision for income tax expense computed at the statutory rate to the provision shown in the consolidated statements of total comprehensive income is as follows:

	2020	2019	2018
Income before income tax	P122,599,591	P697,116,425	P569,774,005
Income tax expense	P36,779,877	P209,134,927	P170,932,203
Additions to (reductions in) income tax resulting from the tax effects of:			
Movement on unrecognized deferred tax assets	34,069,759	(38,547,350)	(12,570,995)
Non-deductible expenses	12,777,838	43,844,881	24,771,866
Unrecognized NOLCO	1,310,840	-	-
Retirement obligation	120,318	-	-
Limit on interest expense	92,914	132,600	126,329
Gain on changes in fair value of investment property of a subsidiary	(2,144,400)	(1,759,200)	(248,400)
Interest income subjected to final tax	(250,908)	(363,529)	(329,723)
Impairment loss on trade and other receivables and advances to associates	-	-	7,500,598
Dividend income	-	(215,017)	(187,901)
Reversal of accruals and payables	-	-	(11,153,755)
	P82,756,238	P212,227,312	P178,840,222

The Group is subject to either the 30% regular income tax or 2% minimum corporate income tax (MCIT), whichever is higher. The excess MCIT over the regular income tax shall be carried forward and applied against the regular income tax due for the next three consecutive taxable years.

The details of the Group's MCIT are as follows:

Year Incurred	Expiry date	Amount	Applied	Expired	Balance
2020	2023	P2,817,051	P -	P -	P2,817,051
2019	2022	116,761	-	-	116,761
2018	2021	149,642	-	-	149,642
2017	2020	66,087	-	(66,087)	-
		P3,149,541	P -	(P66,087)	P3,083,454

In 2020, the Group incurred NOLCO amounting to P112,782,799 which can be claimed as deduction against future taxable income until 2025, in accordance to Revenue Regulations No. 25-2020 issued on September 30, 2020. Under Section 4 of this regulation, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The details of the Group's NOLCO are as follows:

Year Incurred	Expiry date	Amount	Applied	Expired	Balance
2020	2025	P112,782,799	P -	P -	P112,782,799
2019	2022	169,635	-	-	169,635
2018	2021	2,908,601	(40,925)	-	2,867,676
2017	2020	1,328,004	-	(1,328,004)	-
		P117,189,039	(P40,925)	(P1,328,004)	P115,820,110

The components of the net deferred income tax assets and liabilities recognized by the Group are as follows:

	2020		2019	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
Deferred tax assets:				
Provision for retirement benefits	P70,935,577	P21,280,673	P53,686,693	P16,106,008
Deferred rent income	39,461,577	11,838,473	41,552,793	12,465,838
Rent expense derecognized due to PFRS 16	3,814,093	1,144,228	1,859,500	557,850
Unrealized foreign exchange loss	1,198,643	359,593	381,073	114,322
Impairment loss on receivables	600,408	180,122	600,407	180,122
	116,010,298	34,803,089	98,080,466	29,424,140
Deferred tax liabilities:				
Gain on fair value adjustment of investment properties	1,667,828,770	500,348,631	1,388,225,860	416,467,758
Gain on sublease	129,650,757	38,895,227	134,579,163	40,373,749
Accrued rent receivable	1,615,657	484,697	248,343	74,503
Unrealized foreign exchange gain	-	-	4,912,073	1,473,622
	1,799,095,184	539,728,555	1,527,965,439	458,389,632
	(P1,683,084,886)	(P504,925,466)	(P1,429,884,973)	(P428,965,492)

The recognized deferred tax assets were from the Parent Company and PPMI.

The Group's unrecognized deferred tax assets pertain to the following:

	2020		2019	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
Allowance for impairment loss on receivables	P333,318,409	P99,995,523	P336,960,047	P101,088,014
Net operating loss carry-over	114,640,884	34,392,265	1,835,663	550,699
Allowance for impairment loss on investments in subsidiaries and associates	55,618,197	16,685,459	19,918,197	5,975,459
MCIT	3,083,454	3,083,454	12,164	12,164
Accrued retirement benefit expense	2,485,337	745,601	-	-
Allowance for impairment loss on advances to associates	-	-	199,473	59,842
	P509,146,281	P154,902,302	P358,925,544	P107,686,178

The deferred tax assets have not been recognized in respect of the above items because it is not probable that sufficient future profit will be available against which the Group can utilize the benefits there from.

27. Capital and Treasury Stock

Movements in the Group's capital stock are as follows:

	2020	2019	2018
Authorized			
8,000,000,000 common shares at P0.50 par value	**P4,000,000,000**	P4,000,000,000	P4,000,000,000
Issued and outstanding			
3,688,869,745 shares	**1,844,434,873**	1,844,434,873	1,844,434,873
Subscribed			
1,314,711,262 shares	**657,355,632**	657,355,632	657,355,632
Subscriptions receivable			
Beginning balance	**(157,564,260)**	(157,592,010)	(157,592,010)
Collection	**-**	27,750	-
	499,791,372	499,791,372	499,763,622
Total capital stock	**2,344,226,245**	2,344,226,245	2,344,198,495
Additional paid-in capital	**557,014,317**	557,014,317	557,014,317
	P2,901,240,562	P2,901,240,562	P2,901,212,812
Treasury stock	**P110,049,633**	P110,049,633	P109,712,439

In 2019, TIBI acquired shares of the Parent Company amounting to P337,194.

28. Reserves

This account consists of:

	Note	2020	2019	2018
Appropriated retained earnings for:				
Treasury stock acquisitions				
Balance at beginning of year		**P109,712,439**	P109,712,439	P250,000,000
Movements during the year		**-**	-	(140,287,561)
Balance at end of year		**109,712,439**	109,712,439	109,712,439
Revaluation on FVOCI				
Balance at beginning of year		**(25,988,878)**	(20,349,330)	(24,132,038)
Movements during the year		**5,316,590**	(5,639,548)	(15,449,606)
Effect of adoption of PFRS 9		**-**	-	17,308,122
Disposal		**-**	-	1,924,192
Balance at end of year	*5*	**(20,672,288)**	(25,988,878)	(20,349,330)
Remeasurement loss on retirement benefit obligation				
Balance at beginning of year		**(37,347,443)**	(22,660,993)	(30,798,437)
Movements during the year - gross		**(10,555,065)**	(19,994,388)	11,624,918
Movements during the year - tax		**3,166,519**	5,307,938	(3,487,474)
Balance at end of year		**(44,735,989)**	(37,347,443)	(22,660,993)
Others		**-**	-	238,062
		P44,304,162	P46,376,118	P66,940,178

29. Non-controlling Interest

	2020	2019
UTC		
January 1	P2,036,275	P2,041,917
Share in net loss	(12,018)	(5,642)
December 31	2,024,257	2,036,275
Recon-X Energy Corporation		
January 1	(18,030,747)	(7,208,594)
Share in net loss	(2,041,948)	(10,822,153)
December 31	(20,072,695)	(18,030,747)
	(P18,048,438)	(P15,994,472)

30. Earnings Per Share

	2020	2019	2018
Net income attributable to equity holders of Parent Company	P41,897,319	P495,717,398	P392,632,613
Weighted average no. of common shares issued and outstanding	4,877,907,002	4,877,907,002	4,877,907,002
Income per share	P0.01	P0.10	P0.08

The weighted average number of common shares was computed as follows:

	2020	2019	2018
Issued and outstanding shares	3,688,869,745	3,688,869,745	3,688,869,745
Subscribed shares	1,314,711,262	1,314,711,262	1,314,711,262
Treasury shares	(125,674,005)	(125,674,005)	(125,674,005)
Average number of shares	4,877,907,002	4,877,907,002	4,877,907,002

The Group has no potential dilutive shares as at December 31, 2020, 2019 and 2018.

31. Significant Accounting Policies

Adoption of New and Revised Standards, Amendments to Standards and Interpretations
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the Group's financial statements for the year ended December 31, 2020, except for the adoption of the following new standards and amended PFRS which became effective January 1, 2020. Unless otherwise indicated, none of these had a significant effect on the financial statements.

- Amendments to PFRS 3, *Definition of a Business.* The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material.* The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgments.

New and Amended Standards and Interpretation Not Yet Adopted
A number of new and amended standards and interpretations are effective for annual periods beginning after January 1, 2020 and have not been applied in preparing the financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the financial statements. The Group will adopt the following new and amended standards and interpretations on the respective effective dates:

Effective beginning on or after January 1, 2020

- Amendments to PFRS 16, *COVID-19-related Rent Concessions* provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. It also requires lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications, to disclose that fact and apply the exemption retrospectively in accordance with PAS 8 but not require them to restate prior period figures.

  The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at May 28, 2020.

- Amendments to PFRS 3, *Reference to the Conceptual Framework* refer to amendments to PFRS 2, 3, 6 and 14, IAS 34, 37 and 38, IFRIC 12, 19, 20 and 22, and SIC-32 to update references to and quotes from the framework so that they refer to the revise Conceptual Framework.

  The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2022.

- Amendments to PAS 16, *Property, Plant and Equipment – Proceeds before Intended Use* prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asst to the location and condition necessary for it to be capable of operating in the manner intended by the management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.
  The amendments are effective for annual periods beginning on January 1, 2022.

- Amendments to PAS 37, *Onerous Contracts – Cost of Fulfilling a Contract* specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

  The amendments are effective for annual periods beginning on January 1, 2022. Early application is permitted. Entities apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

- Annual Improvements to PFRS Standards 2018-2020

  - PFRS 1, *First-time Adoption of PFRS* permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

  - PFRS 9, *Financial Instruments* clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of PFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

  - PFRS 16, *Leases* amends Illustrative Example 13 accompanying PFRS 16 which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

  The amendments are effective for annual periods beginning on January 1, 2022.

- Amendments to PAS 1, Classification of Liabilities as Current or Non-current affect only the presentation of liabilities in the statement of financial position, not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

  - clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

  - clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

  - make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments are effective for annual periods beginning on January 1, 2023.

Philippine Interpretations Committee Question and Answers (PIC Q&As) Issued in 2020 which are Subject to Approval by the BOA

- PIC Q&A No. 2020-02, *Conclusion on PIC QA 2018-12E: On certain materials delivered on site but not yet installed*

  This Q&A aims to provide guidance on how should the uninstalled materials be considered in measuring the progress of the performance obligation.

- PIC Q&A No. 2020-03, *Q&A No. 2018-12-D: STEP 3 – On the accounting of the difference when the percentage of completion is ahead of the buyer's payment*

  This Q&A aims to account the difference between the percentage of completion (POC) and the buyer's payment with the POC being ahead.

- PIC Q&A No. 2020-04, *PFRS 15 - Step 3 - Requires and Entity to Determine the Transaction Price for the Contract (Addendum to PIC Q&A 2018-12-D)*

  This Q&A aims to provide guidance in determining the transaction price considering the mismatch of the POC and schedule of payments.

- PIC Q&A No. 2020-05, *PFRS 15 - Accounting for Cancellation of Real Estate Sales (Supersedes Q&A 2018-14)*

  This Q&A aims to provide guidance on the following:

  - How should the Company account the sales cancellation and repossession of the property

    Three approaches are acceptable but each approach should be applied consistently:

Approach 1:	The repossessed property is recognized at its fair value less cost to repossess
Approach 2:	The repossessed property is recognized at its fair value plus repossession cost
Approach 3:	The cancellation is accounted for as a modification of the contract

  - Would the accounting for the repossession change if the repossessed property is already 100% completed

- PIC Q&A No. 2020-06, *PFRS 16 Accounting for payments between and among lessors and lessees*

  This Q&A aims to provide guidance on the accounting treatment, from both the lessor's and the lessee's perspectives, in respect of the payments made between and among lessors and lessees.

- PIC Q&A No. 2020-07, *PAS 12 – Accounting for the Proposed Changes in Income Tax Rates under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Bill*
  This Q&A aims to provide guidance on the following:

  - Is the CREATE Bill considered substantively enacted as of December 31, 2020,
  - Is the subsequent enactment of CREATE Bill considered an adjusting event, and
  - Impact on the calendar year (CY) 2020 and CY2021 financial statements of companies covered by the reduction of income tax rates

The Group is currently assessing the impact of the issued PIC Q&As.

New Standard and Amendments to Standards Effective on or after January 1, 2021 but Not Applicable to the Group

- PFRS 17, Insurance Contracts
- Annual improvement to *PAS 41, Agriculture to ensure consistency with the requirements in PFRS 13*

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

Basis of Consolidation
The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company, the subsidiaries, up to December 31 each year. Details of the subsidiaries are shown in Note 36.

The consolidated financial statements were prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-company balances and transactions, including inter-company profits and unrealized profits and losses, are eliminated.

Subsidiaries
Subsidiaries are all entities over which the Group has control. The Parent Company controls an entity when the Parent Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are deconsolidated from the date that control ceases.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired i.e. discount on acquisition is credited to profit and loss in the period of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognized. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the Parent Company.

Acquisition-related costs are expensed as incurred.

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.

Associates and joint ventures
An associate is an entity over which the Parent Company is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes an associate or joint venture. The investment is initially recognized at cost. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is instead included as income in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statements of financial position at cost plus post-acquisition changes in the Parent Company's share in the net assets of the investee companies, less any impairment losses. The consolidated statements of total comprehensive income reflect the share of the results of the operations of the investee companies. The Parent Company's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Parent Company and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances. Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair 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 acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Segment Information

The Group's operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 36 to the financial statements. The Chief Executive Officer (the chief operating decision maker) reviews management reports on a regular basis.

The measurement policies the Group used for segment reporting under PFRS 8 are the same as those used in the financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods. All inter-segment transfers are carried out at arm's length prices.

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

For management purposes, the Group is currently organized into five business segments. These divisions are the basis on which the Group reports its primary segment formation.

The Group's principal business segments are as follows:

a. Sale of Real Estate and Leasing
b. Property Management
c. Insurance Brokerage
d. Holding Company
e. Travel Services (discontinued as of July 31, 2018)

The Group's resources producing revenues are all located in the Philippines. Therefore, geographical segment information is not presented.

Cash and Cash Equivalents

Cash includes cash on hand and in banks and is stated at its face value. Cash in banks earns interest at the prevailing interest rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three (3) months or less from the date of acquisition and that are subject to an insignificant risk of change in value.

Financial Assets and Liabilities

Financial Assets

Recognition

Financial assets or a financial liability are recognized in the Group's consolidated financial statements when the Group becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using settlement date accounting.

Financial assets are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). Transaction costs are included in the initial measurement of the Group's financial assets, except for investments classified as at fair value through profit or loss. Subsequently, financial assets are recognized either at fair value or at amortized cost.

Classification

The Group classifies its financial assets, at initial recognition, in the following categories: financial assets at amortized cost, financial assets at FVOCI and financial assets at FVPL. The classification depends on the business model of the Group for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are not reclassified subsequent to initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, the financial assets are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are reclassified to FVPL, impaired or derecognized, as well as through the amortization process.

The Group's cash and cash equivalents, trade and other receivables and advances to associates are included under this category.

Financial Assets at FVOCI (equity instruments). Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of total comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets at fair value through OCI includes investments in quoted and unquoted equity instruments.

Financial Assets at FVPL. Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in profit or loss.

The Group's investments in equity instruments at FVPL are classified under this category.

Impairment
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for trade receivables and a vintage analysis for trade receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the external independent ratings to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12- months ECL.

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The right to receive cash flows from the asset has expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes the associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group is required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables (except for payables to government), other non-current liabilities and loans and note payable.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of total comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to loans payable.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of total comprehensive income.

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

Prepayments
Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to income as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the consolidated statements of financial position as current asset when the cost of goods or services related to the prepayment are expected to be incurred within one (1) year or the Group's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Real Estate Inventories
Property acquired or being developed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs to sell.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

The provision account, if any, is reviewed on a monthly basis to reflect the reasonable valuation of the Group's inventories. Inventory items identified to be no longer recoverable is written-off and charged as expense for the period.

Real estate held for development is measured at lower of cost and NRV. Expenditures for development and improvements of land are capitalized as part of the cost of the land. Directly identifiable borrowing costs are capitalized while the development and construction is in progress.

Property and Equipment
Property and equipment are initially measured at cost which consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use and are subsequently measured at cost less any accumulated depreciation, amortization and impairment losses, if any.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of years
Condominium units	20
Building	25
Building improvements	5 to 10
Office furniture, fixtures and equipment	3 to 10
Transportation and other equipment	5
Leasehold and office improvements	5

The assets' residual values, estimated useful lives and depreciation and amortization methods are reviewed periodically to ensure that the amounts, periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Derecognition
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 on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment Properties
Investment properties comprised completed property and property under development or re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the Group. Investment property is initially measured at cost incurred in acquiring the asset and subsequently stated at fair value. Revaluations are made with sufficient regularity by external independent appraisers to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the period. The external independent appraiser uses sales comparison approach in arriving at the value of the properties. In this approach, the value of the properties is based on sales and listings of comparable properties. This is 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 or at different floor levels of the same building. Comparison would be premised on factors such as location, size and physical attributes, selling terms, facilities offered and time element.

A gain or loss arising from a change in the fair value of investment property is recognized in profit or loss for the period in which it arises.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

Derecognition
Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statements of total comprehensive income in the year of retirement or disposal.

Impairment of Non-financial Assets
At each reporting date, the Group assesses whether there is any indication that any of its non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of the non-financial asset is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss reverses subsequently, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized in profit or loss.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between participants at 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 the entity will not fulfill an obligation.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- 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 or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

Equity
An equity instrument is any contract that evidences a residual interest in the assets of the Parent Company after deducting all of its liabilities. Distribution to the Parent Company'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 Parent Company's Board of Directors.

Capital stock
Capital stock is classified as equity when there is no obligation to the transfer of cash or other assets. 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.

Additional paid-in capital
Additional paid-in capital pertains to premium paid over the par value of shares.

Retained earnings
Retained earnings include all the accumulated income (loss) of the Group, dividends declared and share issuance costs. Retained earnings is net of amount offset from additional paid-in capital arising from the quasi-reorganization.

Treasury stock
The Parent Company's equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statements of total comprehensive income on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Employee Benefits

Short-term benefits
The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits.

Post-employment benefits
The Group's net obligation in respect of its defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation (DBO) is performed on a periodic basis by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Revenue Recognition

Revenue from contracts with customers

Revenue from real estate sales
The Parent Company primarily derives its real estate revenue from the sale of vertical real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 32.

The Parent Company derives its real estate revenue from sale of condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Parent Company's performance does not create an asset with an alternative use and the Parent Company has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Parent Company uses the output method. The Parent Company recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Revenue from sales of completed real estate projects is accounted for using the full accrual method.

Any excess of collections over the recognized receivables are included in the "Deposits and other current liabilities" account in the liabilities section of the consolidated statements of financial position.

If any of the criteria under the full accrual or percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits and other current liabilities" account in the liabilities section of the consolidated statements of financial position.

The Group also derives its revenue from management fee, commission, rental and interest income for which the Group assessed that there is only one performance obligation. Revenue from contracts with customers is recognized at a point in time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Management fee
Management fee is recognized when the related services have been performed in accordance with the terms and conditions of the management agreement and applicable policies.

Commission income
Commission income is recognized when the real estate and insurance brokering services have been performed in accordance with the terms and conditions of the agreement, commission scheme and applicable policies. Commission income recognized is the amount earned as an agent and excludes amounts collected on behalf of the principal.

Interest income
Interest income is accrued on a time proportion basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income
Rent income from operating leases is recognized as income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Miscellaneous income
Miscellaneous income is recognized when earned.

Cost recognition from real estate sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied and is determined with reference to the specific, including estimated costs, on the property allocated to sold area. Cost of residential and commercial lots and units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus its full development costs, which include estimated costs for future development works, as determined by the Parent Company's in-house technical staff.

Estimated development costs include direct land development, shared development cost, building cost, external development cost, professional fees, post construction, contingency, miscellaneous and socialized housing. Miscellaneous costs include payments such as permits and licenses, business permits, development charges and claims from third parties which are attributable to the project. Contingency includes fund reserved for unforeseen expenses and/ or cost adjustments. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts are considered as special budget appropriations that are approved by management and are made to form part of total project costs on a prospective basis and allocated between costs of sales and real estate inventories.

Cost and Expense Recognition
Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss on the basis of: (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statements of financial position as an asset.

Cost and expenses in the consolidated statements of total comprehensive income are presented using the function of expense method. General and administrative expenses are costs attributable to general, administrative and other business activities of the Group.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they were

incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Leases

The Group has applied PFRS 16 using the modified retrospective approach and therefore comparative information has not been restated and is presented under PAS 17. The details of accounting policies under both PAS 17 and IFRS 16 are presented separately below.

Policies effective 1 January 2019

The Group as Lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under PAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies PAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

Short-term leases with terms of less than 12 months or lease of low value assets are expensed as incurred.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies PFRS 15 to allocate the consideration under the contract to each component.

Policies effective prior to 1 January 2019

Leases

Group as Lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Fixed lease payments are recognized as an expense in the consolidated statements of total comprehensive income on a straight-line basis while the variable rent is recognized as an expense based on terms of the lease contract.

Group as Lessor
Leases where the Group does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as an income in the consolidated statements of total comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Foreign Currency Transactions and Translation
Transactions in currencies other than Philippine peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are restated at the rates prevailing on the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the year.

Income Tax
Income tax expense for the year comprises current and deferred 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 tax is also recognized in other comprehensive income or directly in equity, respectively.

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

Deferred income tax is recognized on temporary difference 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 (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when 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 (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or 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. The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority and the same taxable entity.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation, either legal or constructive, as a result of a past event; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and; when the amount of the obligation can be estimated reliably. When the Group expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a consolidated asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. A provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities are disclosed, 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 when an inflow of economic benefits is probable.

Related Party Relationships and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Earnings per Share

Basic earnings per share

The Group computes its basic earnings per share by dividing net profit attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the period.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

Events After the Reporting Date

The Group identifies events after the reporting date as events that occurred after the reporting date but before the date the consolidated financial statements were authorized for issue. Any subsequent event that provides additional information about the Group's financial position at the reporting date is reflected in the consolidated financial statements. Non-adjusting subsequent events are disclosed in the notes to the consolidated financial statements when material.

32. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue and cost recognition on real estate projects
The Parent Company's revenue recognition and cost policies require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Parent Company's revenue from real estate and construction contracts is recognized based on the percentage of completion and are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of inputs such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Similarly, the commission is determined using the percentage of completion.

Provision for expected credit losses of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses historical loss rates as input to assess credit risk characteristics. The Group determines the appropriate receivables groupings based on shared credit risk characteristics such as revenue type, collateral or type of customer. The historical loss rates are adjusted to reflect the expected future changes in the portfolio condition and performance based on economic conditions and indicators such as inflation and interest rates that are available as at the reporting date.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 6 and 34.

Estimating useful lives of assets
The useful lives of assets are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Group's assets. In addition, the estimation of the useful lives is based on the Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of assets would increase the recognized operating expenses and decrease non-current assets.

Evaluation of net realizable value of real estate inventories
The Parent Company adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the assets. In determining the recoverability of the assets, management considers whether those assets 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. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Results of management's assessment disclosed that there is no need for provision for impairment of inventories as at December 31, 2020 and 2019.

Revenue recognition
When a contract for the sale of a property upon completion of construction is judged to be a construction contract, revenue is recognized using the percentage-of-completion method as construction progresses. The Group considers the terms and conditions of the contract, including how the contract was negotiated and the structural elements that the customer specifies when identifying individual projects as construction contracts. The percentage of completion is estimated by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred to date and the estimated costs to complete.

The Group assesses its revenue arrangements to determine if it is a principal or an agent. The Group is acting as a principal when it has exposure to the significant risks and rewards with the sales transactions or rendering of services. The Group is acting as an agent when it does not have exposure to the significant risks and rewards associated with the sales transactions or rendering of services.

Post-employment and other employee benefits
The present value of the retirement obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of retirement obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement obligation.

Other key assumptions for retirement obligations are based in part on current market conditions. Additional information is disclosed in Note 17.

Retirement obligation as at December 31, 2020 and 2019 amounted to P73,420,911 and P55,320,659, respectively.

Estimating fair value of investment property
The Group obtained the services of an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. An independent valuation of the Group's investment properties was performed by appraisers to determine their fair values. The valuation was determined by reference to sales and listing of comparable properties.

Recoverability of deferred tax assets
The Group reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient

taxable profit to allow all or part of its deferred tax assets to be utilized. The Group considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the utilization of deferred tax assets.

Total unrecognized deferred tax assets amounted to P154,902,302 and P107,686,178 as at 2020 and 2019, respectively (See Note 26).

Impairment losses on non-financial assets
The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of non-financial assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that non-financial assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations.

Critical Accounting Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Existence of a contract
The Parent Company's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Parent Company before revenue recognition is to assess the probability that the Parent Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Definition of default and credit-impaired financial assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria – for sales contracts receivable, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria
The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial assets has disappeared because of financial difficulties
d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Revenue recognition method and measure of progress
The Parent Company concluded that revenue for real estate sales is to be recognized over time because: (a) the Parent Company's performance does not create an asset with an alternative use and; (b) the Parent Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Parent Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Parent Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Parent Company. The Parent Company considers that the initial and continuing investments by the buyer of about 25% would demonstrate the buyer's commitment to pay.

The Parent Company has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Parent Company's performance in transferring control of real estate development to the customers.

Distinction between investment properties and owner-occupied properties and real estate inventories and held for development
The Group determines whether a property qualifies as investment property. In making this judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

The Group determines that a property will also be classified as real estate inventory when it will be sold in the normal operating cycle or it will be treated as part of the Group's strategic land activities for development in the medium or long-term.

Contingencies
The Group is currently involved in various legal proceedings and tax assessments. Estimates of probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material adverse effect on the financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the Group's strategies relating to these proceedings.

33. Fair Value Measurement

The fair values of the Group's financial instruments are equal to the carrying amounts in the consolidated financial position as at December 31, 2020 and 2019.

Fair values have been determined for measurement and disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values are disclosed in the notes to the financial statements specific to that asset or liability.

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, trade and other receivables and advances to associates – carrying amounts approximate fair values due to the relatively short-term maturities of these items.

Trade and other receivables carrying amounts approximate their fair values as they are either priced using prevailing market rates or that the effect of discounting is not significant.

Financial assets at FVPL and FVOCI – these are investments in equity securities, fair value for quoted equity securities is based on quoted prices published in markets as of reporting dates.

Trade and other payables – the carrying value of trade and other payables and loans payable - current approximate its fair value either because of the short-term nature of these financial liabilities or effect of discounting is immaterial.

Loans payable – carrying amounts approximate their fair values as they are either priced using prevailing market rates or that the effect of discounting is not significant.

The table below analyzes financial and non-financial assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVPL				
Equity investments	P6,750,000	P -	P -	P6,750,000
Financial assets at FVOCI				
Equity investments	41,010,520	-	-	41,010,520

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVPL				
Equity investments	P6,750,000	P -	P -	P6,750,000
AFS financial assets				
Equity investments	35,693,930	-	-	35,693,930

34. Financial Risk Management Objectives and Policies

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 seeks to minimize potential adverse effects on the financial performance of the Group. The policies for managing specific risks are summarized below.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. It monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Market Risk

Foreign exchange risk
The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in US dollar. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Significant fluctuation in the exchange rates could significantly affect the Group's financial position.

Foreign exchange risk exposure of the Group is limited to its cash and cash equivalents. Currently, the Group has a policy not to incur liabilities in foreign currency. Construction and supply contracts, which may have import components, are normally denominated in Philippine peso.

The amounts of the Group's foreign currency denominated monetary assets at the reporting date are as follows:

	2020		2019	
	US dollar Deposit	Peso Equivalent	US dollar Deposit	Peso Equivalent
Cash and cash equivalents	$387,024	P18,591,090	$362,825	P18,411,180

The closing rates applicable as at December 31, 2020 and 2019 are P48.036 and P50.744 to US$1, respectively.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their peso translation at the period end for a 4% change in foreign currency rates. A 4% weakening of Philippine peso against the US dollar will have an increase in net income amounting to P743,643 and P736,447 in 2020 and 2019, respectively. For a 4% strengthening of the Philippine peso against the US dollar, there would be an equal and opposite impact on the net income.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Group's interest rate risk relates to its cash and cash equivalents and loans payable. The interest rates on cash and cash equivalents and loans payable are disclosed in Notes 3 and 15, respectively.

Cash and cash equivalents are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on the profit or loss of the Group.

Management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

Based on the sensitivity performed the impact on profit or loss of 10% increase/decrease on interest rates on cash and cash equivalents, and loans and note payable would be an estimated maximum increase/decrease for 2020 and 2019 as follows:

	2020	2019
Cash and cash equivalents	P83,635	P121,176
Loans payable	2,486,495	733,122

Price risk
Price risk is the risk that the fair value of the financial instrument particularly equity instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Parent Company's Board of Directors reviews and approves all equity investment decisions.

At December 31, 2020, the impact of 10% increase/decrease in the price of listed equity securities, with other variables held constant would have been an increase/decrease of P531.7 thousand and P597.7 thousand for 2020 and 2019, respectively, in the Group's total comprehensive income and equity for the year. The Group' sensitivity analysis takes into account the historical performance of the stock market.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's credit risk is primarily attributable to its cash and cash equivalents and trade and other receivables as disclosed in Notes 3 and 6, respectively. The Group has adopted stringent procedure in evaluating and accepting risk by setting counterparty and transaction limits. In addition, the Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group's security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, financial assets at FVPL, financial assets at FVOCI and advances to subsidiaries and associates. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at December 31 are as follows:

	2020	2019
Cash and cash equivalents excluding cash on hand	**P207,193,799**	P217,626,320
Trade and other receivables	**1,252,979,158**	1,625,188,417
	P1,460,172,957	P1,842,814,737

The credit quality of financial assets which are neither past due nor impaired is discussed below:

(a) Cash in banks and cash equivalents

The Group deposits its cash balance in reputable banks to minimize credit risk exposure amounting to P207,193,799 and P217,626,320 as at December 31, 2020 and 2019, respectively. Cash deposits are considered to be of high grade.

(b) Trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to internal credit ratings or to historical information about counterparty default rates:

	Grade A	Grade B	Total
2020			
Trade and other receivables	**P870,795,863**	**P4,856,041**	**P875,651,904**
2019			
Trade and other receivables	P1,379,678,190	P22,476,125	P1,402,154,315

- "Grade A"
  This includes financial assets pertaining to those assets held by either the government, counterparties with good credit standing, related parties or loans and receivables that are consistently paid before the maturity date

- "Grade B"
  This includes receivables that are past due but are still collectible within 12 months.

As at December 31, 2020 and 2019, trade and other receivables of P377,327,254 and P132,110,815, respectively, were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these receivables is as follows:

	More than 90 days	More than one year	Total
2020			
Trade and other receivables	**P42,892,223**	**P334,435,031**	**P377,327,254**
2019			
Trade and other receivables	P12,711,701	P119,399,114	P132,110,815

As at December 31, 2020 and 2019, trade and other receivables of P98,324,311 and P106,688,269, respectively, were impaired and provided for. Provision for (reversal of) impairment loss recognized in 2020 and 2019 are (P8,363,958) and P80,758,365, respectively. It was assessed that a portion of the receivables is expected to be recovered. The aging of these receivables is as follows:

	More than 90 days	More than one year	Total
2020			
Trade and other receivables	**P -**	**P98,324,311**	**P98,324,311**
2019			
Trade and other receivables	P -	P106,688,269	P106,688,269

The condominium certificates of the title remain in the possession of the Parent Company until full payment has been made by the customers, thus no significant credit risk was assessed for trade receivables.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The security deposits and advance rental are considered in the calculation of impairment as recoveries. As of December 31, 2020 and 2019, the exposure at default amounts to P486 million and P359 million, respectively. The expected credit loss rate is 6% that resulted in the ECL of P26.6 million and P20.3 million as of December 31, 2020 and 2019, respectively.

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

		Contractual Obligation			
	Carrying Amount	Less than One Year	One to Five Years	More than Five Years	Total
2020			(In Thousand Pesos)		
Trade and other payables*	**P272,150**	**P93,631**	**P178,519**	**P -**	**P272,150**
Loans and note payable	**1,033,326**	**495,065**	**617,907**	**-**	**1,112,972**
2019			(In Thousand Pesos)		
Trade and other payables*	P340,106	P218,745	P121,361	P -	P340,106
Loans and note payable	1,155,086	571,730	583,356	-	1,155,086

**excluding payables to government*

35. Capital Management

The Parent Company manages its capital to ensure that the Parent Company is able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Parent Company consists of equity, which comprises of issued capital, additional paid-in capital, reserves, retained earnings and treasury stocks.

Management reviews the capital structure on a quarterly basis. As part of this review, management considers the cost of capital and the risks associated with it.

There were no changes in the Parent Company's approach to capital management during the year.

As part of the reforms of the Philippine Stock Exchange (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 Parent Company has fully complied with this requirement in 2020 and 2019.

Tektite Insurance Brokers, Inc. (TIBI)
The operations of TIBI are subject to the regulatory requirements of the Insurance Commission (IC). Such regulations not only prescribe approval and monitoring of activities but also impose certain capital requirement.

In 2006, the IC issued Memorandum Circular No. 1-2006 which provides for the minimum capitalization requirements of all insurance brokers and reinsurance brokers. Under this circular, existing insurance brokers and reinsurance brokers must have a net worth in accordance with the amounts and schedule stipulated in the circular.

As at December 31, 2020 and 2019, the required statutory net worth for TIBI, being an existing insurance broker is P10 million.

TIBI has fully complied with the capitalization requirements of Memorandum Circular No. 1-2006 in 2020 and 2019.

36. Segment Information

Details of the Parent Company's subsidiaries as of December 31, 2020 and 2019 are as follows:

	Principal Activities	Ownership Interest 2020	2019
PRHC Property Managers, Inc. (PPMI)	Property Management	**100%**	100%
Tektite Insurance Brokers, Inc. (TIBI)	Insurance Brokerage	**100%**	100%
Sultan's Power, Inc. (SPI)	Holding Company	**100%**	100%
Universal Travel Corporation (UTC)	Travel and Tours Agency	**81.53%**	81.53%

Minority interests as of 2020 and 2019 represent the equity interests in Universal Travel Corporation not held by the Group.

The segment assets and liabilities as of December 31, 2020, 2019 and 2018 and the results of operations of the reportable segments for the years ended December 31, 2020, 2019 and 2018 are as follows:

	2020							
	Parent	Subsidiaries						
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Travel services	Other Income	Eliminations	Consolidated
	(In Thousand Pesos)							
Revenue	P264,773	P43,794	P4,456	P -	P -	P398,540	(P941)	P710,622
Segment Result	(59,779)	7,574	(800)	(4,295)	(53)	-	5,463	(51,890)
Interest expense	36,509	278	-	-	-	-	-	36,787
Interest income	(13,643)	(3)	(70)	-	(12)	-	-	(13,728)
Income taxes	81,413	1,293	91	-	-	-	-	82,797
Income (loss) before minority interest	44,500	9,142	(779)	(4,295)	(65)	-	5,463	53,966
Minority interest	-	-	-	-	-	-	(2,054)	(2,054)
Net Income (Loss)	P44,500	P9,142	(P779)	(P4,295)	(P65)	P -	P3,409	P51,912
Other Information								
Segment assets	P5,948,070	P89,647	P14,084	P2,503	P1,173	P -	P579	P6,056,056
Investments at equity method	101,930	-	-	-	-	-	(30,956)	70,974
Consolidated Total Assets	P6,050,000	P89,647	P14,084	P2,503	P1,173	P -	(P30,377)	P6,127,030
Segment liabilities	P2,075,301	P32,441	P3,768	P78,694	P29,957	P -	(P77,743)	P2,142,418
Consolidated Total Liabilities	P2,075,301	P32,441	P3,768	P78,694	P29,957	P -	(P77,743)	P2,142,418
Capital expenditure	P1,388	P -	P607	P -	P -	P -	P -	P1,995
Depreciation and amortization	23,153	890	409	-	-	-	-	24,452
Non-cash expenses other than depreciation	16,351	3,738	799	-	-	-	-	20,888

	2019							
	Parent	Subsidiaries						
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Travel services	Other Income	Eliminations	Consolidated
	(In Thousand Pesos)							
Revenue	P1,074,673	P45,130	P5,727	P -	P -	P761,920	(P2,243)	P1,885,207
Segment Result	223,973	4,481	(736)	(22,228)	(31)	-	64,745	270,253
Interest expense	16,745	325	-	-	-	-	-	17,070
Interest income	(14,556)	(2)	(139)	-	(1)	-	-	(14,698)
Dividend income	(717)	-	-	-	-	-	-	(717)
Equity in net loss of associates	775	-	-	-	-	-	-	775
Income taxes	210,553	1,503	150	-	-	-	-	212,206
Income (loss) before minority interest	436,773	6,355	(725)	(22,228)	(31)	-	75,573	495,717
Minority interest	-	-	-	-	-	-	(10,828)	(10,828)
Net Income (Loss)	P436,773	P6,307	(P725)	(P22,228)	(P31)	P -	P64,745	P484,889
Other Information								
Segment assets	P 6,023,102	P80,223	P13,668	P2,914	P1,184	P -	P3,869	P6,124,961
Investments at equity method	108,975	-	-	-	-	-	(34,365)	74,610
Consolidated Total Assets	P6,132,077	P80,223	P13,668	P2,914	P1,184	P -	(P30,496)	P6,199,571
Segment liabilities	P2,198,806	P33,150	P2,081	P74,809	P29,903	P -	(P73,935)	P2,264,814
Consolidated Total Liabilities	P2,198,806	P33,150	P2,081	P74,809	P29,903	P -	(P73,935)	P2,264,814
Capital expenditure	P7,153	P 4,254	P 35	P -	P -	P -	P -	P11,443
Depreciation and amortization	22,791	683	371	-	-	-	-	23,846
Non-cash expenses other than depreciation	152,345	2,672	1,894	-	-	-	-	156,911

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2018							
	Parent	Subsidiaries						
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Travel services	Other Income	Eliminations	Consolidated
				(In Thousand Pesos)				
Revenue	P1,009,230	P37,986	P6,583	P -	P93	P771,180	(P3,938)	P1,821,134
Segment Result	212,258	1,915	(3,209)	(2,455)	(689)	-	(8,205)	199,625
Interest expense	8,474	-	-	-	-	-	-	8,474
Interest income	(3,477)	(1)	(66)	-	(31)	-	-	(3,575)
Dividend income	(626)	-	-	-	-	-	-	(626)
Equity in net gain of associates	8,205	-	-	-	-	-	-	8,196
Income taxes	177,748	886	195	-	12	-	-	178,841
Income (loss) before minority interest	402,582	2,800	(3,080)	(2,455)	(708)	-	(8,205)	390,934
Minority interest	-	-	-	-	-	-	1,699	1,699
Net Income (Loss)	P402,582	P2,800	(P3,080)	(P2,455)	(P708)	P -	(P6,506)	P392,633
Other Information								
Segment assets	P4,834,778	P64,770	P15,514	P1,258	P25,010	P -	P5,652	P4,946,982
Investments at equity method	178,809	-	-	-	-	-	(102,136)	76,673
Unallocated corporate assets	P5,013,587	P64,770	P15,514	P1,258	P25,010	P -	(P96,484)	P5,023,655
Consolidated Total Assets	P1,499,091	P21,759	P2,160	P74,668	P29,946	P -	(P74,702)	P1,552,922
Segment liabilities	P1,499,091	P21,759	P2,160	P74,668	P29,946	P -	(P74,702)	P1,552,922
Consolidated Total Liabilities	P8,800	P -	P -	P -	P -	P -	P -	P8,800
Capital expenditure	P12,970	P62	P365	P -	P82	P -	P -	P13,479
Depreciation and amortization	45,388	3,877	4,521	-	122	-	-	53,908
Non-cash expenses other than depreciation	1,009,230	37,986	6,583	-	93	771,180	(3,938)	1,821,134

The following are the principal activities of the Parent Company's subsidiaries:

PRHC Property Managers, Inc. (PPMI)
PPMI was incorporated and registered with the SEC on May 24, 1991 to engage in the business of managing, operating, developing, buying, leasing and selling real and personal property either for itself and/or for others.

The registered office of PPMI is 29th/F East Tower, Philippine Stock Exchange Centre (PSE), Exchange Road, Ortigas Center, Pasig City.

Tektite Insurance Brokers, Inc. (TIBI)
TIBI was incorporated and registered with the SEC on January 2, 1989 to engage in the business of insurance brokerage.

The registered office of TIBI is at 20/F East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City.

Universal Travel Corporation (UTC)
UTC was incorporated and registered with the SEC on November 9, 1993 to engage in the business of travel services by providing, arranging, marketing, engaging or rendering advisory and consultancy services relating to tours and tour packages. On March 15, 2018, the Board of Directors of UTC approved the resolution on the cessation of its operations effective July 31, 2018 and sold all its existing assets and paid its liabilities from the proceeds and collections of receivables and sale of assets. Thereafter, UTC became inactive.

The registered office of UTC is 29th/F, East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City.

Sultan's Power, Inc. (SPI)
SPI was incorporated under Philippine laws and registered with the SEC on March 19, 2015 as a holding company and commenced operations as such by acquiring the majority outstanding shares of stock of Recon-X Energy Corporation (Recon-X), a company incorporated in the Philippines, engaged in the business of converting plastic waste into fuel. Recon-X is currently in the initial stage of its test runs. As at December 31, 2020, Recon-X is in the process of procuring additional catalyst and materials for the plastic to diesel conversion plant to be used to process plastic wastes into fuel. The target date of Recon-X to start its commercial operations is on the third quarter of 2021.

The registered office of SPI is Unit 2001B, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

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STATEMENTS REQUIRED BY THE REVISED SECURITIES REGULATION CODE (SRC) RULE 68, ON OCTOBER 3, 2019

The Shareholders and Board of Directors
Philippine Realty and Holdings Corporation and Subsidiaries
One Balete, 1 Balete Drive corner N. Domingo Street
Brgy. Kaunlaran District 4
Quezon City

We have audited the accompanying financial statements of Philippine Realty and Holdings Corporation and Subsidiaries as at and for the year ended December 31, 2020, on which we have rendered our report dated March 16, 2021. The supplementary information shown in the Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 5B and Annex 68-D), Financial Soundness Indicators (Part 1, 5C and Annex 68-E), and Map of Relationships Between and Among the Related Parties (Part 1, 5G) as additional components required by Part I, Section 5 of the Revised SRC Rule 68 and Schedules A, B, C, D, E, F and G, as required by Part II, Section 7 and Annex 68-J of the Securities Regulation Code, are presented for purposes of filing with the Securities and Exchange Commission and are not a required part of the basic financial statements.

Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audits of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Part I, Section 5 and Part II, Section 7 of the Revised SRC Rule 68.

MACEDA VALENCIA & CO.

ANTONIO O. MACEDA, JR.
Partner
CPA License No. 20014
PTR No. 8564731
Issued on January 22, 2021 at Makati City
SEC Accreditation No. (individual) as general auditor 1761-A Category A,
Effective until July 31, 2022
SEC Accreditation No. (firm) as general auditors 4748-SEC;
Effective until Febuary 17, 2023
TIN 102-090-963-000
BIR Accreditation No. 08-001987-004-2021,
Effective until April 11, 2024
BOA/PRC Reg. No. 4748, effective until June 26, 2021

March 16, 2021
Makati City

A member of Nexia International

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2020

Philippine Realty And Holdings Corporation
One Balete, 1 Balete Drive Corner N. Domingo St.
Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines

Unappropriated Retained Earnings, beginning		**P432,872,511**
Adjustments for:		
(prior-year adjustments)		-
Unappropriated Retained Earnings, as adjusted, beginning		**432,872,511**
Add: Net income during the period closed to Retained Earnings		**41,897,319**
Less: Non-actual/unrealized income net of tax	-	
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)		
Unrealized actuarial gain	-	
Fair value adjustments (M2M gains)	-	
Fair value adjustment of Investment Property resulting to gain adjustment due to deviation from PFRS/GAAP-gain	**(286,750,907)**	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	**(286,750,907)**
Add: Non-actual losses	-	
Depreciation on revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS/GAAP-loss	-	
Loss on fair value adjustment to investment property (after tax)	-	-
Net income actually earned/realized during the period		**188,018,923**
Add (Less):		
Dividend declarations during the period		-
Appropriations of Retained Earnings during the period		-
Reversals of appropriations		-
Treasury shares		-
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND		**P188,018,923**

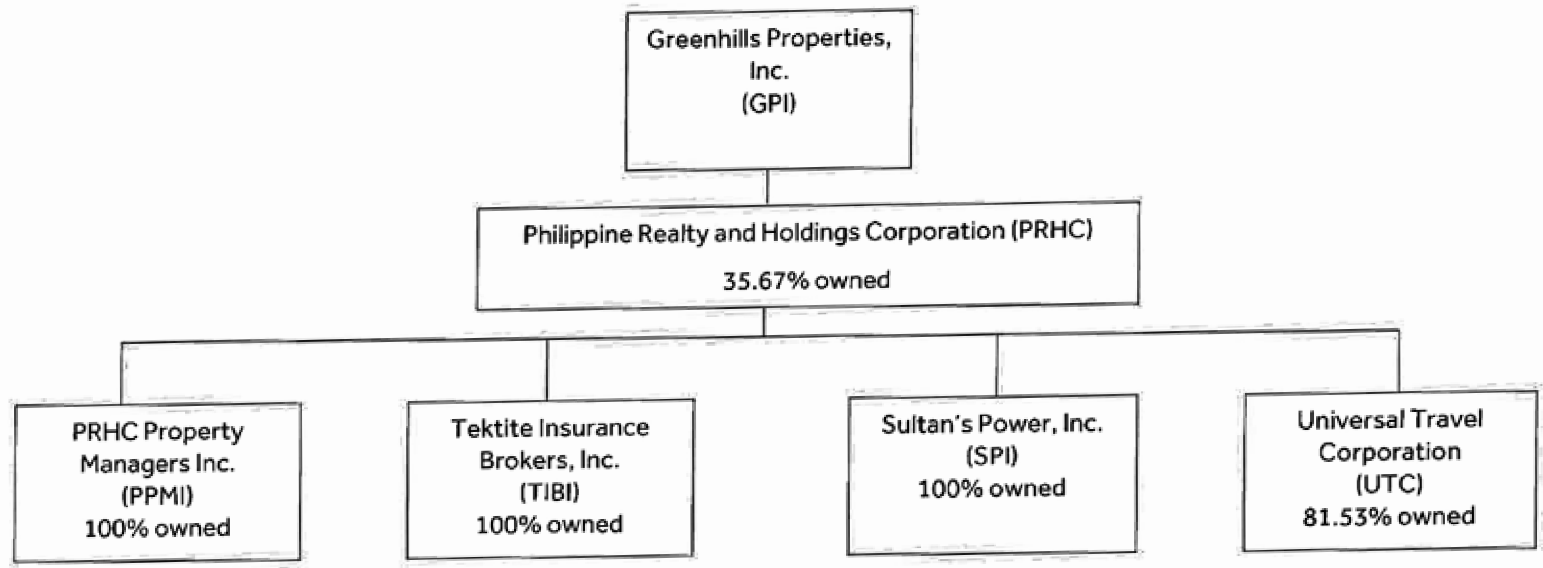
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
As of December 31, 2020

Philippine Realty And Holdings Corporation
One Balete, 1 Balete Drive Corner N. Domingo St.
Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines

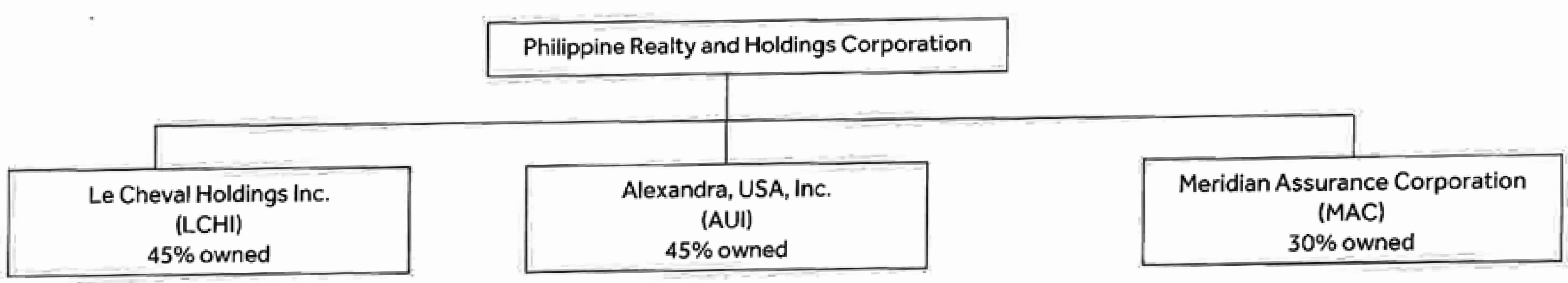
	2020	2019
Current Ratio[1]	**5.15**	2.91
Acid Test Ratio[2]	**3.50**	1.34
Debt to Equity Ratio[3]	**0.54**	0.57
Asset to Equity Ratio[4]	**1.54**	1.57
Interest Coverage Ratio[5]	**4.33**	40.84
Net Profit Margin Ratio[6]	**0.06**	0.26
Return on Assets[7]	**0.01**	0.08
Return on Equity[8]	**0.01**	0.12
Solvency Ratio[9]	**0.03**	0.22

[1] *Current ratio is measured as current assets divided by current liabilities.*
[2] *Acid test ratio is measured as current assets less inventory divided by current liabilities.*
[3] *Debt to equity ratio is measured as total liabilities divided by total equity.*
[4] *Asset to equity ratio is measured as total assets divided by total equity.*
[5] *Interest coverage ratio is measured by EBIT, or earnings before interest and taxes, divided by total financing costs.*
[6] *Net profit margin ratio is derived by dividing net profit with total revenue.*
[7] *Return on assets is measured by dividing net income after tax with total assets.*
[8] *Return on equity is measured by dividing net income after tax with total capital accounts.*
[9] *Solvency ratio is measured by dividing net income after tax plus depreciation with total liabilities.*

PHILIPPINE REALTY AND HOLDINGS CORPORATION
SUBSIDIARIES, AFFILIATES GROUP STRUCTURE
As of December 31, 2020



Associates:



Schedule for Listed Companies with a Recent Offering of Securities to the Public
As of December 31, 2020

Philippine Realty And Holdings Corporation
One Balete, 1 Balete Drive Corner N. Domingo St.
Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines

1. Gross and net proceeds as disclosed in the final prospectus
   Not applicable

2. Actual gross and net proceeds
   Not applicable

3. Each expenditure item where the proceeds were used
   Not applicable

4. Balance of the proceeds as of end reporting period
   Not applicable

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule A – Financial Assets
December 31, 2020

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown in the Statement of Financial Position	Valued based on market quotation at end of reporting period	Income received and accrued
Financial assets at fair value through profit or loss				
Tagaytay Properties	6,750,000 shares	P6,750,000	P6,750,000	P -
Financial Assets at Fair Value through OCI				
Equity securities				
A. Brown Company, Inc.	36,840,000 shares	P33,156,000	P33,156,000	P -
Premium Leisure Corporation	14,264,120 shares	6,347,535	6,347,535	-
Philippine Racing Club (prc)	944 shares	6,985	6,985	-
Orchard Golf & Country Club CLASS "C" Shares	1 share	500,000	500,000	-
Valley Golf Country Club	1 share	1,000,000	1,000,000	-
	51,105,066 shares	P41,010,520	P41,010,520	P -
Trade and other receivables - net		P1,263,436,773	P1,263,436,773	P2,016,397
		P1,311,197,293	P1,311,197,293	P2,016,397

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule B – Amounts Receivable from Director, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2020

Name of Debtor	Balance at the beginning of the period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at the end of period
AGUILAR, DENNIS	P -	P45,884	(P19,118)	P -	P26,766	P -	P26,766
ALMEROL, CARLA	44,000	75,193	(87,824)	-	31,369	-	31,369
AVILA, JESSICA	77,030	-	(69,030)	-	8,000	-	8,000
BONTOGON, MARISSA	1,408,719	216,379	(846,713)	-	778,385	-	778,385
CALANOG, DANTE	215,335	124,842	(108,446)	-	231,731	-	231,731
CALUBAYAN, MARIE JOYCE	121,075	336,311	(271,902)	-	185,484	-	185,484
CARAG, ADELINE SUSAN	1,049,988	340	(313,248)	-	737,080	-	737,080
CARTAGENA, AILENE	19,320	38,640	(35,420)	-	22,540	-	22,540
CASTRO, CRISTINE DENISE	141,953	-	(141,953)	-	-	-	-
CATACUTAN, RICHARD	230,171	1,157	(100,293)	-	131,035	-	131,035
CIAR, ERWIN	1,155,161	98,778	(468,520)	-	785,419	-	785,419
CONSTANTINO,VIRGILIO	-	17,811	(12,549)	-	5,262	-	5,262
CRUZ, ROSELLE	234,556	37,942	(191,995)	-	80,503	-	80,503
DAYRIT, AMYLEEN JOY	462,695	41,462	(191,097)	-	313,060	-	313,060
DEL ROSARIO, ALFREDO S	14,488,443	688,498	(1,231,930)	-	13,945,011	-	13,945,011
DELA CRUZ, ANGELICA	65,749	6,386	(37,699)	-	34,436	-	34,436
DEOCAMPO, DEXTER JAN	-	24,811	(20,265)	-	4,546	-	4,546
DEOCERA, NORBERT	142,738	51,179	(175,761)	-	18,156	-	18,156
DUMAYAS,JINECA PRINCESS	-	9,915	(8,417)	-	1,498	-	1,498
DURAN, AILEEN	348,079	1,756,566	(1,346,400)	-	758,245	-	758,245
DURAN, NORMALENE	82,594	360,338	(108,503)	-	334,429	-	334,429
ENRIQUEZ, EDILYNDA	538,721	1,110,478	(1,120,785)	-	528,414	-	528,414

Name of Debtor	Balance at the beginning of the period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at the end of period
ESGUERRA, CEDRICK	-	28,811	(24,265)	-	4,546	-	4,546
FISCHER, VINCENT	1,383,365	85,526	-	-	1,468,891	-	1,468,891
GARGAR, ERWIN	9,783	-	(9,783)	-	-	-	-
GATCHALIAN, VILLAMOR	-	22,942	(9,559)	-	13,383	-	13,383
GO, RICHARD NICOLAS KO	1,334,645	1,908,262	(2,273,066)	-	969,841	-	969,841
HERNANI, MARIA ELIZABETH	129,827	42,050	(115,991)	-	55,886	-	55,886
ISNIT, JOSEFINA	213,626	670,796	(443,195)	-	441,227	-	441,227
LAMPAS, ROCHELLE JOY	2,500	71,664	(51,318)	-	22,846	-	22,846
LANUZA, CAMILLE	97,495	-	(20,000)	-	77,495	-	77,495
LANUZA, GERARDO DOMENICO	2,062,626	5,502,228	(626,496)	-	6,938,358	-	6,938,358
MAGPAYO,GIL	323,068	-	(323,068)	-	-	-	-
MAGPAYO, JERRY	-	26,811	(22,265)	-	4,546	-	4,546
MEDRANO, EDMUNDO	2,071,963	552,284	(1,169,876)	-	1,454,371	-	1,454,371
MIRANDE, MIKE	279,726	61,014	(135,221)	-	205,519	-	205,519
PACA, CARLOS MIGUEL	1,074,105	45,497	(637,868)	-	481,734	-	481,734
PENGSON, BELLE	65,500	42,000	(95,500)	-	12,000	-	12,000
PERILLO, MARIA CHRISTINA	463,233	115,920	(240,162)	-	338,991	-	338,991
PUYAT, TXYLA	555,224	-	(260,378)	-	294,846	-	294,846
RAMOS, MARK ANTHONY	343,094	167,026	(131,705)	-	378,415	-	378,415
REYES, REINHARD	47,251	-	(34,291)	-	12,960	-	12,960
SANTOS, ROZANO	158,457	507,266	(215,233)	-	450,490	-	450,490
SANTOS, LEONARD ROSS	430,682	-	(66,366)	-	364,316	-	364,316
TABAJEN, CHRISTIAN	-	28,811	(24,265)	-	4,546	-	4,546
TABLADA, DEXTER	14,607	-	(14,607)	-	-	-	-
TABORLUPA, MARGIE	328,974	50,584	(160,240)	-	219,318	-	219,318
TAMANG, CHARLIE	52,999	-	(34,107)	-	18,892	-	18,892

Name of Debtor	Balance at the beginning of the period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at the end of period
TUROT, KRISTEL JOY	63,184	-	(31,726)	-	31,458	-	31,458
UMAYAM,RODRIGO	-	27,312	(11,380)	-	15,932	-	15,932
VEDAÑA, FERDERICK	87,133	26,515	(62,944)	-	50,704	-	50,704
VERCELES, REGANDOR	730,309	39,164	(168,447)	-	601,026	-	601,026
VERZOSA, SAMUEL	23,414	46,829	(42,927)	-	27,316	-	27,316
VICTORIA, RODOLFO	41,627	-	(15,783)	-	25,844	-	25,844
VILLAFUERTE, JOHNDELF	380,307	195,902	(279,173)	-	297,036	-	297,036
VINLUAN, FATIMA	-	27,811	(23,299)	-	4,512	-	4,512
Others	-	61,230	(39,330)	-	21,900	-	21,900
	P33,595,051	**P15,397,165**	**(P14,721,702)**	**P -**	**P34,270,514**	**P -**	**P34,270,514**

Note: Receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders are subject to usual terms in the normal course of business.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule C – Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statement
December 31, 2020

Name of Debtor	Balance at the beginning of the period	Additions	Amounts collected (i)	Amounts written-off (ii)	Current	Non-current	Balance at the end of period
Universal Travel Corporation, Subsidiary	P29,873,810	P23,598	P -	P -	P -	P29,897,408	P29,897,408
PRHC Property Managers, Inc., Subsidiary	5,703,113	9,203,640	5,684,450	-	9,222,303	-	9,222,303
Sultan's Power, Inc., Subsidiary	74,600,171	1,809,359	-	-	76,409,530	-	76,409,530
	P110,177,094	P11,036,597	P5,684,450	P -	P85,631,833	P29,897,408	P115,529,241

i. If collected was other than in cash, explain.

ii. Give reasons to write-off.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule D – Long Term Debt
December 31, 2020

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt in related Statement of Financial Position " (ii)	Amount shown under caption "Long-term debt in related Statement of Financial Position " (iii)	Interest Rate %	Maturity Date
Car loan	25,574,812	5,313,014	7,258,169	9.59% - 9.11%	November 2021 – September 2024
Car loan	15,789,574	3,402,557	3,924,967	9.46% - 8.72%	February 2023 – November 2025
Car loan	3,744,000	826,824	1,905,570	11.04%	February 2024
Contract to sell financing	200,000,000	30,137,149	154,401,777	6.75%	June 2022
Real estate mortgage	1,100,000,000	200,660,372	525,495,279	6%	March 2021 – June 2025
Real estate mortgage	100,000,000	100,000,000	-	5.25% - 5.00%	March 2021

i. Include in this column each type of obligation authorized.
ii. This column is to be totalled to correspond to the related Statements of Financial Position caption.
iii. Include in this column details as to interest rates, amounts or numbers of periodic instalments, and maturity dates.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule E – Indebtedness to Related Parties
(included in the Consolidated Financial Statement of Position)
December 31, 2020

Name of Related Parties (i)	Balance at the beginning of the period	Balance at the end of the period (ii)

None to report.

i. The related party shall be grouped as in Schedule C. The information called for shall be stated for any persons whose investments shown in separately in such related schedule.
ii. For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10% of the related balance at either the beginning or end of the period.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule F – Guarantees of Securities of Other Issuers
December 31, 2020

Name of the issuing entity of securities guaranteed by the company for which this statement is fled	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding (i)	Amount owned by person of which statement is filed	Nature of Guarantee (ii)

None to report.

i. Indicate in the note any significant changes since the date of the last balance sheet file. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.

ii. There must be a brief statement of the nature of the guarantee, such as "Guarantee of Principal and Interest"', "Guarantee of Interest" or "Guarantee of Dividend". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule G – Capital Stock
December 31, 2020

Title of Issue (i)	Number of shares authorized	Number of shares issued and outstanding as shown under the related Statement of Financial Position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties (ii)	Directors, officers and employees	Others (iii)
Common	8,000,000,000	3,688,869,745	-	-	10,412,758	-

i. Include in this column each type of issue authorized
ii. Related parties referred to include persons for which separate financial statements are filed and those included in the consolidated financial statements, other than the issuer of the particular security.
iii. Indicate in a note any significant changes since the date of the last balance sheet filed.

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Tiongco Siao Bello and Associates Law Offices

BANKS
BDO Unibank, Inc.
Maybank Philippines, Inc.
Metropolitan Bank and Trust Co.
Philippine Bank of Communications
Philippine National Bank
Rizal Commercial Banking Corporation
Union Bank of the Philippines

TRANSFER AGENT
Stock Transfer Service, Inc.

AUDITOR
Maceda Valencia & Co.

LISTING
Philippine Stock Exchange

Philippine Realty &
Holdings Corporation