COVER SHEET

1	0	8	2	7	0					

S.E.C. Registration Number

GOLDEN MV HOLDINGS, INC.

(Registrant's Full Name)

SAN EZEKIEL, C5 EXTENSION,
LAS PIÑAS CITY

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

Estrellita S. Tan
Contact Person

8873-2922
Registrant Telephone Number

1	2	3	1

Month *Day*
Calendar Year

20-IS Definitve Information Statement
FORM TYPE

0	7	1	5

Month *Day*
Annual Meeting

N/A
Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

GOLDEN MV HOLDINGS

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the annual meeting of stockholders of **GOLDEN MV HOLDINGS, INC.** (the "**Company**" or "**HVN**") for the year 2022 will be held online on **July 15, 2022**, **Friday,** at **10:00 a.m.** with the proceedings livestreamed and voting conducted in absentia through the Company's secure voting online facility which may be accessed through: https://vote.goldenmv.com.ph/vsrv/registration.

The following shall be the agenda of the meeting:

1. Call to order
2. Certification of notice and quorum
3. Approval of the minutes of the annual stockholders' meeting held on July 15, 2021
4. Presentation of the President's Report, Management Report and Financial Statements for the year 2021
5. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting
6. Election of the members of the Board of Directors, including the Independent Directors, for the year 2022
7. Appointment of External Auditors
8. Adjournment

Minutes of the 2021 Annual Meeting of Stockholders is available at the website of the Company (www.goldenhaven.com.ph).

The Board of Directors has fixed the close of business on May 31, 2022 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting.

In light of the current circumstances, and to ensure the safety and welfare of the Company's stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication, and voting only *in absentia* or by appointing the Chairman of the meeting as their proxy.

Stockholders who intend to participate in the meeting via remote communication and to exercise their vote *in absentia* must notify the Corporate Secretary by registering at https://vote.goldenmv.com.ph/vsrv/registration on or before July 8, 2022. All information submitted will be subject to verification and validation by the Corporate Secretary.

Stockholders who intend to appoint the Chairman of the Meeting as their proxy should submit duly accomplished proxy forms on or before July 8, 2022 at the Office of the Corporate Secretary at Picazo Buyco Tan Fider & Santos Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City and/or by email to gmsantos@picazolaw.com.

Pursuant to the Securities and Exchange Commission Notice dated February 16, 2022, copies of this Notice related to the Annual Stockholders' Meeting, shall be published in two newspapers of general circulation.

Electronic copies of the Corporation's Information Statement, Management Report, SEC 17-A and other pertinent documents are available at its website at https://www.goldenhaven.com.ph/corporate/ and uploaded at the PSE's EDGE disclosure system.

A visual/audio recording of the meeting shall be made for future reference.

GEMMA M. SANTOS
Corporate Secretary

Annex "A"

AGENDA DETAILS AND RATIONALE

1. Certification of Notice and Quorum

The Corporate Secretary, Atty. Gemma M. Santos, will certify that copies of the Notice of Meeting were duly published in the business section of two (2) newspapers of general circulation, and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia as well as a stockholder participating by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

(i) Stockholders may attend the meeting remotely by registering through https://vote.goldenmv.com.ph/vsrv/registration (the "Website"). Stockholders may send their questions or comments prior to the meeting by e-mail at **ir@goldenhaven.com.ph**. The Website shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer the questions submitted in the course of the meeting, or separately through the Company's Investor Relations Office within a reasonable period after the meeting.

(ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.

(iii) Stockholders must notify the Company of their intention to participate in the meeting by remote communication to be included in determining quorum, together with the stockholders who voted in absentia and by proxy.

(iv) Voting shall only be allowed for stockholders registered in the Company's Electronic Voting in Absentia System or through the Chairman of the meeting as proxy.

(v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.

(vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.

(vii) The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.

2. Approval of the minutes of the last Annual Meeting of Stockholders held on July 15, 2021

The minutes of the last Annual Meeting of Stockholders held on July 15, 2021 will be presented for approval by the stockholders, in keeping with Section 49(a) of the Revised Corporation Code.

A copy of such minutes has been uploaded on the Company's web site immediately after the 2021 Annual Meeting of Stockholders.

3. President's Report, Management Report and Audited Financial Statements as of and for the year ended December 31, 2021

The Audited Financial Statements of the Company as of and for the year ended December 31, 2021 (as audited by Punongbayan & Araullo) ("AFS"), a copy of which is incorporated in the Information Statement for this meeting, will be presented for approval by the stockholders. To give context to the AFS and bring to the stockholders' attention the highlights of the said AFS, the President, Ms. Maribeth C. Tolentino, will deliver a report to the stockholders on the Company's performance for the year ended December 31, 2021 and the full year 2022 outlook.

The Board and Management of the Company believe that in keeping with the Company's thrust to at all times observe best corporate governance practices, the results of operations and financial condition of the Company should be presented and explained to the stockholders. Any comments from the stockholders, and their approval or disapproval of these reports, will provide guidance to the Board and Management in running the business and affairs of the Company.

4. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting.

Ratification by the stockholders will be sought for all the acts and the resolutions of the Board of Directors and all the acts of Management taken or adopted from the date of the last annual stockholders' meeting until the date of this meeting. A brief summary of these resolutions and actions is set forth in the Information Statement for this meeting. Copies of the minutes of the meetings of the Board of Directors are available for inspection by any stockholder at the principal office of the Company during business hours.

The Board and Management of the Company believes that in keeping with the Company's thrust to at all times observe best corporate governance practices, the ratification of their acts and resolutions should be requested from the stockholders in this annual meeting. Such ratification will be a confirmation that the stockholders approve of the manner that the Board and Management have been running the business and affairs of the Company.

5. Election of the members of the Board of Directors, including the Independent Directors, for the year 2022

The Corporate Secretary will present the names of the persons who have been duly nominated for election as directors and independent directors of the Company in accordance with the By-Laws and Manual on Corporate Governance of the Company and applicable laws and regulations. The voting procedure is set forth in the Information Statement for this meeting.

6. Appointment of External Auditors

The Audit Committee is endorsing to the stockholders the re-appointment of Punongbayan & Araullo as external auditor of the Company for the year 2022.

PROXY

[NOTE: Stockholders who would like to be represented thereat by the Chairman of the Meeting as proxy may choose to execute and send a proxy form to the Office of the Corporate Secretary (Atty. Gemma M. Santos) at Picazo Buyco Tan Fider & Santos Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City, on or before July 8, 2022. A sample proxy form is provided below. Stockholders may likewise email a copy of the accomplished proxy form to gmsantos@picazolaw.com.]

The undersigned stockholder of **GOLDEN MV HOLDINGS, INC.** (the "**Company**") hereby appoints the Chairman of the Meeting as attorney-in-fact or proxy, with power of substitution, to represent and vote _____ shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders' Meeting of the Company on July 15, 2022 at 10:00 a.m. and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of the minutes of the last Annual Meeting of Stockholders held on July 15, 2021

   ❑ Yes ❑ No ❑ Abstain

2. Noting of the President's Report and Annual Report and Approval of the Audited Financial Statements for the year 2021

   Yes ❑ No ❑ Abstain

3. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting

   ❑ Yes ❑ No ❑ Abstain

4. Election of the members of the Board of Directors, including the Independent Directors, for the year 2022

	No. of Votes
Manuel B. Villar, Jr.	_____
Maribeth C. Tolentino	_____
Eduardo T. Aguilar	_____
Frances Rosalie T. Coloma	_____
Camille A. Villar	_____
Ana Marie V. Pagsibigan	_____
Garth F. Castañeda	_____

5. Re-appointment of Punongbayan & Araullo as external auditor

   ❑ Yes ❑ No ❑ Abstain

_____	_____	_____
Printed Name of the Stockholder	**Signature of Stockholder/ Authorized Signatory**	**Date**

This proxy should be received by the Corporate Secretary on or before July 8, 2022, the deadline for submission of proxies.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised.

Notarization of this proxy is not required.

RCC, Sec. 49 Requirements	Page No.
(a) The minutes of the most recent regular meeting which shall include, among others: (1) A description of the voting and vote tabulation procedures used in the previous meeting (2) A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given (3) The matters discussed and resolutions reached (4) A record of the voting results for each agenda item (5) A list of the directors or trustees, officers, and stockholders or members who attended the meeting; and (6) Such other items that the Commission may require in the interest of good corporate governance and the protection of minority stockholders	2 Minutes of the 2021 Annual Meeting of Stockholders is available at the website of the Company (http://www.goldenhaven.com.ph/)
(b) Material information on the current stockholders, and their voting rights;	8, 18
(c) A detailed, descriptive, balanced and comprehensible assessment of the corporation's performance, which shall include information on any material change in the corporation's business, strategy, and other affairs;	21
(d) A financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with this Code and the rules the Commission may prescribe, a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees;	AFS 2021
(e) An explanation of the dividend policy and the fact of payment of dividends or the reasons for nonpayment thereof;	41
(f) Director or trustee profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representations in other corporations;	12
(g) A director or trustee attendance report, indicating the attendance of each director or trustee at each of the meetings of the board and its committees and in regular or special stockholder meetings;	14
(h) Appraisals and performance reports for the board and the criteria and procedure for assessment;	20-40
(i) A director or trustee compensation report prepared in accordance with this Code and the rules the Commission may prescribe;	15
(j) Director disclosures on self-dealings and related party transactions; and/or	16
(k) The profiles of directors nominated or seeking election or reelection	12, 14

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

1. Check the appropriate box:
   [ ] Preliminary Information Statement
   [x] Definitive Information Statement

2. Name of Registrant as specified in its charter:
   GOLDEN MV HOLDINGS, INC.
   (formerly Golden Bria Holdings, Inc.)

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

4. SEC Identification Number **108270**

5. BIR Tax Identification Code **768-991-000**

6. **San Ezekiel, C5 Extension, Las Piñas City** **1746**
   Address of principal office Postal Code

7. **8873-2922 / 8873-2923**
   Registrant's telephone number, including area code

8. Date, time and place of the meeting of security holders
   July 15, 2022, 10:00 a.m. (via Remote Communication)

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

   June 22, 2022

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	**644,117,649 Shares**

11. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes ____x____ No _____

    The Registrant's common shares are listed on the Philippine Stock Exchange.

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

PART I

INFORMATION STATEMENT

GENERAL INFORMATION

Date, time and place of meeting of security holders.

Date: July 15, 2022
Time: 10:00 a.m.
Place: San Ezekiel, C5 Extension, Las Piñas City, Metro Manila

The corporate mailing address of the principal office of the Registrant is San Ezekiel, C5 Extension, Las Piñas City.

This Information Statement may be accessed by the Company's stockholders beginning June 22, 2022 at the Company's website, www.goldenhaven.com.ph, and through the PSE disclosures portal: https://edge.pse.com.ph.

Dissenters' Right of Appraisal

Under Sections 41 and 80, Title X, of the Revised Corporation Code of the Philippines (" **Revised Corporation Code**"), any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares only in the following instances, as provided by the Revised Corporation Code:

(1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
(2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
(3) In case of merger or consolidation; and
(4) In case of investment of corporate funds for any purpose other than the primary purpose of the Company.

The appraisal right, when available, may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his shares; provided, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder upon surrender of his certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

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

None of the matters that are proposed to be taken up during the meeting gives a dissenter the right of appraisal.

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

None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

No director has informed the Registrant in writing that he intends to oppose any action to be taken at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) Number of shares outstanding as of April 30, 2022:

Common: 644,117,649

(b) Record Date: May 31, 2022

Each common share of stock of the Registrant is entitled to one (1) vote. Pursuant to Article II, Section 7 of the Registrant's By-Laws, every holder of voting shares of stock may vote during all meetings of stockholders, including the Annual Stockholders' Meeting, either in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact.

Stockholders entitled to vote are also entitled to cumulative voting in the election of directors. Section 23 of the Revised Corporation Code provides, in part, that: "In stock corporations, stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the corporation, at the time fixed in the by-laws, or where the by-laws are silent, at the time of the election. The said stockholder may (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of shares owned; (c) distribute them on the same principle among as many candidates as may be seen fit…."

For this year's meeting, the Board of Directors had adopted a resolution to allow stockholders entitled to notice of, and to attend the meeting, to exercise their right to vote *in absentia.*

Equity Ownership of Foreign and Local Shareholders

Foreign and local security ownership as of May 31,2022:

	Foreign		Filipino		Total Outstanding Shares
Class	**Shares**	**Percent of Class to Total Outstanding Shares**	**Shares**	**Percent of Class to Total Outstanding Shares**	
Common	22,332	0.01	644,095,317	99.99%	644,117,649

Security Ownership of Certain Beneficial Owners and Management

Security ownership of certain record and beneficial owners of more than 5.0% of the Registrant's voting securities as of May 31, 2022:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Us	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership [1]
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr.6766 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Fine Properties, Inc./ Shares are lodged with PCD Nominee Corporation, record Owner is not the beneficial owner[2]	Filipino	412,057,800	63.97%
Common	Cambridge Group, Inc./ Shares are lodged with PCD Nominee Corporation, record Owner is not the beneficial owner[3]	Cambridge Group, Inc./ Shares are lodged with PCD Nominee Corporation, record Owner is not the beneficial owner	Filipino	158,744,255 (8,744,255 shares are lodged with PCD)	24.65%
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6766 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is not the beneficial owner[4]	Filipino	70,112,230	10.88%

Other than the abovementioned, the Company has no knowledge of any person who, as of the record date, was directly or indirectly the beneficial owner of, or who has voting power or investment power (pursuant to a voting trust or other similar agreement) with respect to, shares comprising more than five percent (5%) of the Company's outstanding common shares of stock.

[1]Based on the Company's total issued and outstanding capital stocks as of May 31, 2022 of 644,117,649 common shares.

[2]Mr. Manuel B. Villar, Jr. and his spouse are the controlling shareholders of Fine Properties, Inc. The right to vote the shares held by Fine Properties, Inc. has in the past been, and in this stockholders' meeting is expected to be exercised by either Mr. Villar or Ms. Maribeth C. Tolentino.

[3]Fine Properties Inc., is the Controlling Shareholder of Cambridge Group, Inc. The right to vote the shares held by Cambridge Group, Inc. has in the past been, and in this stockholders' meeting is expected to be exercised by either Mr. Villar or Ms. Maribeth C. Tolentino

[4] PCD Nominee Corporation is the registered owner of shares beneficially owned by participants in the Philippine Depository &Trust Corporation, a private company organized to implement an automated book entry system of handling securities transactions in the Philippines (PCD). Under the PCD procedures, when an issuer of a PCD-eligible issue will hold a stockholders' meeting, the PCD shall execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients. Except as indicated above, the Registrant is not aware of any investor beneficially owning shares lodged with the PCD, which comprise more than five percent (5%) of the Registrant's total outstanding capital stock.

Security ownership of directors and executive officers as of May 31, 2022:

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership		Citizenship	Percent of Class[5]
Common	Manuel B. Villar, Jr. *(Chairman)* C. Masibay St., BF Resort Village, Talon, Las Piñas City	1,000	Indirect[2]	Filipino	0.00%
Common	Manuel B. Villar, Jr. *(Chairman)* C. Masibay St., BF Resort Village, Talon, Las Piñas City	570,802,055[3]	Indirect	Filipino	88.62%
Common	Maribeth C. Tolentino *(President)* Block 1 Lot 2 Merida Subdivision BF Resort Village, Talon, Las Piñas City	2,835,000	Indirect[2]	Filipino	0.44%
Common	Frances Rosalie T. Coloma *(Director)* 1-10 Granwood Villas BF Homes, Quezon City	100	Indirect[2]	Filipino	0.00%
Common	Rizalito J. Rosales *(Director)* Unit 5D, Da Vinci Tower, Presidio Brittany Bay, Sucat, Muntinlupa City, Metro Manila	100	Indirect[2]	Filipino	0.00%
Common	Camille A. Villar *(Director)* C. Masibay St., BF Resort Village, Talon, Las Piñas City	333,700	Indirect[2]	Filipino	0.05%
Common	Ana Marie V. Pagsibigan *(Independent Director)* 21 Matungao Bulacan, Bulacan	1	Indirect[2]	Filipino	0.00%
Common	Garth F. Castañeda *(Independent Director)* Unit 802, The Amaryllis Condominium 12th Street cor. E. Rodriguez Ave. Quezon City	1	Indirect[2]	Filipino	0.00%

[5] Based on the Company's total issued and outstanding capital stocks as of May 31, 2022 of 644,117,649 common shares.
[2] Shares lodged under PCD Nominee Corporation (Filipino).
[3] Includes 412,057,800 shares held thru Fine Properties Inc., and 158,744,255 shares held thru Cambridge Group, Inc.

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership		Citizenship	Percent of Class[5]
N/A	Gemma M. Santos *(Corporate Secretary)* Penthouse, Liberty Center, 104 H.V. dela Costa Street, Salcedo Village, Makati City	None	N/A	N/A	N/A
N/A	Estrellita S. Tan *(Chief Finance Officer, Chief Information Officer, Treasurer, Investor Relations)* #4 Jerusalem St. Camella Pilar, Las Pinas City	None	N/A	N/A	N/A
N/A	Miles M. Teretit (*Compliance Officer*) 918 Griarte St. Hulo, Mandaluyong City	None	N/A	N/A	N/A
Total		**573,972,357**			**89.11%**

[3] *Based on the Company's total outstanding and issued capital stocks of 644,117,649 common shares as of April 30, 2022.*

Except as indicated in the above table, the above-named officers have no indirect beneficial ownership in the registrant.

Except as aforementioned, no other officers of the Registrant hold, directly or indirectly, shares in the Registrant.

Voting Trust Holders of 5.0% or More

The Registrant is not aware of any person holding more than 5.0% of a class of shares under a voting trust or similar agreement.

Changes in Control

The Registrant is not aware of any arrangements which may result in a change in control of the Registrant. No change in control of the Registrant has occurred since the beginning of its last fiscal year.

Directors and Executive Officers of the Registrant

Term of Office

Each director holds office until the subsequent annual meeting of stockholders and his successor shall have been elected and qualified, except in case of death, resignation, disqualification or removal from office. The term of office of the officers is co terminous with that of directors that elected or appointed them.

Background Information

The following are the names, ages and citizenship of the incumbent directors/independent directors of the Registrant as of April 30, 2022:

Name	Age	Position	Citizenship
Manuel B. Villar, Jr.	72	Director and Chairman of the Board	Filipino
Maribeth C. Tolentino	57	Director and President	Filipino
Rizalito J. Rosales	51	Director	Filipino
Frances Rosalie T. Coloma	58	Director	Filipino

Camille A. Villar	37	Director	Filipino
Ana Marie V. Pagsibigan	52	Independent Director	Filipino
Garth F. Castañeda	40	Independent Director	Filipino

The following are the names, ages and citizenship of the Registrant's executive officers in addition to its executive and independent directors listed above as of April 30, 2022.

Name	Age	Position	Citizenship
Gemma M. Santos	60	Corporate Secretary	Filipino
Estrellita S. Tan	58	Chief Financial Officer, Chief Information Treasurer, Investor Relations	Filipino
Miles M. Teretit	38	Compliance Officer	Filipino

The following states the business experience of the incumbent directors and officers of the Registrant for the last five (5) years:

MANUEL B. VILLAR, JR., *Director and Chairman of the Board.* Mr. Villar, was Senator of the Philippines from 2001 to June 2013. He served as Senate President from 2006 to 2008. He also served as a Congressman from 1992 to 2001 and as Speaker of the House of Representatives from 1998 to 2000. A Certified Public Accountant, Mr. Villar graduated from the University of the Philippines in 1970 with the degree of Bachelor of Science in Business Administration and in 1973 with the degree of Masters in Business Administration. He founded Camella Homes in the early 1970s and successfully managed said company over the years, to become the largest homebuilder in the Philippines now known as the Vista Land Group. Mr. Villar is also Chairman of the Board of Vista Land & Lifescapes, Inc., Vistamalls, Inc., AllHome Corp, and AllDay Marts, Inc. which are all publicly listed companies. He was appointed as Chairman of the Board of the Company on May 12, 2017.

MARIBETH C. TOLENTINO, *Director and President*. Ms. Tolentino is a Certified Public Accountant and graduated from the University of the East with a Bachelor's degree in Business Administration. She previously served as the General Manager of the Company from 1999 to 2005. Ms. Tolentino previously served as the President of Vista Residences, Inc., Camella Homes, Inc. and Household Development Corporation and as director of Vista Land & Lifescapes, Inc., Vista Residences, Inc. and Camella Homes, Inc. She is presently the President of Prime Asset Ventures, Inc., Streamtech and Primewater Infrastucture Corp. Ms. Tolentino was appointed Chief Operations Officer of the Company in February 2016, and was appointed President of the Company on August 30, 2017.

FRANCES ROSALIE T. COLOMA, *Director,* graduated cum laude from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy. She is a Certified Public Accountant. She is a Director of Vista Land and Lifescapes, Inc., Director and Treasurer of AllHome Corp. and Director and President of AllDay Marts, Inc. Ms. Coloma was the Chief Financial Officer and Chief Information Officer of the Company from 2016 to 2019. She was also the Chief Financial Officer of Starmalls, Inc. from 2012 to 2016 and of AllHome Corp. from 2019 to 2021. She has been a director of the Company since July 29, 2016.

RIZALITO J. ROSALES, *Director,* Mr. Rosales graduated from the Ateneo de Manila University with the degree of Bachelor of Science in Management, minor in Marketing. He attended post -graduate studies in business in De La Salle University. He is the current President of Bria Homes, Inc., and was the Managing Director for Vista Residences and Corporate Planning Officer of VLL from 2007-2016. He was also Division Head for Polar Realty from 2003-2006 and Crown Asia from 2001-2003 after holding various Marketing and Sales functions in the company since 1995. He has been a director of the Company since August 10, 2018.

CAMILLE A. VILLAR, *Director*. Ms. Villar, graduated from Ateneo de Manila University with the degree of Bachelor of Science in Management. She obtained her Masters in Business Administration, Global Executive MBA Program from the IESE Business School, Barcelona, Spain. She joined the Corporate Communications Group of Brittany in 2007 until she assumed the position of Managing Director of the Vista Land Commercial Division. She is also a Director of Vista Land & Lifescapes, Inc., Director and Vice Chairman of the Board of AllHome Corp, Director and Vice Chairman of the Board of AllDay Marts, Inc. and Director and President of AllValue Holdings Corp. Ms. Villar is currently a Congresswoman, representing Las Pinas City. She has been a director of the Company since August 30, 2017.

ANA MARIE V. PAGSIBIGAN, *Independent Director*. Atty. Pagsibigan graduated from the University of the Philippines with a Bachelor's degree in History and from San Sebastian College with a Bachelor's degree in Law. She previously served as a director and the legal counsel of Great Domestic Insurance. She is currently the legal counsel of Primerose Properties Development, Inc., Corporate Secretary of Consolidated Holdings Management of the Philippines, Inc. and a councilor-elect in the Municipality of Bulakan, Bulacan. Atty. Pagsibigan was elected as independent director o f the Company in May 2016.

GARTH F. CASTANEDA, *Independent Director.* Atty. Castaneda graduated from the University of Sto. Tomas with a Bachelor's degree in Accountancy and from the University of the Philippines with a Bachelor's degree in Law. He previously served as a consultant of the Privatization Management Office. He is currently a partner at SYMECS Law and serves as a director and the Corporate Secretary of each of Phoenix Solar Philippines, Inc. and Communications Wireless Group (Philippines), Inc. and a director of KISH Design Hub, Inc. Atty. Castaneda was elected as independent director of the Company in May 2016.

GEMMA M. SANTOS, *Corporate Secretary*. Atty. Santos, graduated cum laude with the degree of Bachelor of Arts, Major in History from the University of the Philippines in 1981, and with the degree of Bachelor of Laws also from the University of the Philippines in 1985. She is a practicing lawyer and Special Counsel of Picazo Buyco Tan Fider & Santos Law Offices and Corporate Secretary of various Philippine companies, including Vista Land & Lifescapes, Inc. and VistaREIT, Inc. She is also a director of Philippine Associated Smelting and Refining Corp (PASAR), Fine Properties, Inc., Bulacan Water District and Bulakan Water Co., Inc. She was appointed as corporate secretary on December 22, 2017.

ESTRELLITA S. TAN, *Chief Financial Officer, Chief Information Officer, Treasurer, Investor Relations Officer*, is a Certified Public Accountant and graduated with distinction from the Philippine School of Business Administration with the degree of Bachelor of Science in Business Administration Major in Accounting. She is also a licensed Real Estate Broker and has completed a Management Development Program at the Vista Center for Professional Development. She previously served as the President and Chief Operating Officer of Prima Casa Land and Houses, Inc., an affiliate of Vista Land & Lifescapes, Inc. from 2013 to 2020.

MILES M. TERETIT, *Compliance Officer*. Ms. Teretit graduated from University of the East Manila with a Bachelor of Science degree in Business Administration, Major in Accounting. She is a certified public accountant. She worked as senior associate in SGV, Corporate Planning Manager in PepsiCola Products Philippines, Inc. and is currently the Chief Accountant of of the Company. Ms. Teretit was appointed Compliance Officer of the Company on July 16, 2018.

The following states the business experience for the last f ive (5) years of the nominee for election as Director of the Company, to replace Mr. Rizalito J. Rosales:

EDUARDO T. AGUILAR, graduated from the Polytechnic University of the Philippines with a Bachelor's degree in Political Science major in Public Administration. Mr. Aguilar is presently the Chief Operations Officer of Bria Homes, Inc. He was the Sales Administration Head of Vista Land and Lifescapes, Inc from 2014 to 2016 and the Division Head of Camella Homes Luzon from 2017 to 2018. He was also the VP for Sales of Vista Land and Lifescapes, Inc. from 2018 to 2021.

Board Meeting Attendance*

Director's Name	Apr 30	May 17	Aug 16	Nov 12
Manuel B. Villar, Jr.	P	P	P	P
Maribeth C. Tolentino	P	P	P	P
Frances Rosalie T. Coloma	P	P	P	P
Camille A. Villar	P	P	P	P
Rizalito J. Rosales	P	P	P	P
Garth F. Castañeda	P	P	P	P
Ana Marie V. Pagsibigan	P	P	P	P

Legend : (A) Absent, (P) Present, (-) Not applicable

**Meetings of the board for 2021*

Board of Directors

All of the incumbent directors named above, except Mr. Rizalito J. Rosales whose term as director has ended and who requested not to be re-elected for personal reasons, have been nominated for re-election to the Board of Directors and, if elected, shall serve as directors until the election and acceptance of their duly qualified successors. Mr. Eduardo T. Aguilar has been nominated for election as director, to replace Mr. Rizalito J. Rosales.

Directors elected during the annual meeting of stockholders will hold office for one year until their successors are duly elected and qualified. A director who was elected to fill any vacancy holds office only for the unexpired term of his predecessor.

No Director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting due to disagreement with the Company on any matter relating to the Company's operations, policies or practices.

There are no material pending legal proceedings to which the Company or any of its subsidiaries is a party.

Involvement of Directors and Officers in Certain Legal Proceedings

To the best of our knowledge, in the last five years, none of the above-named directors or executive officers have been subject to the following:

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

(b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

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

(d) found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Independent Directors

The nominees for Independent Directors, Atty. Pagsibigan and Atty. Castañeda, are independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company.

Specifically, Atty. Pagsibigan and Atty. Castañeda: (i) are not directors or officers or substantial stockholders of the Company or its related companies or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iv) have not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last two (2) years; (v) are not retained as professional advisers by the Company, any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through their firms; (vi) have not engaged and do not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by themselves or with other persons or through a firm of which they are partners or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arm's length and are immaterial; (vii) do not own more than two percent of the shares of the Company and/or its related companies or any of its substantial shareholders; (viii) are

not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and (ix) are not employed as executive officers of another company where any of the Company's executives serve as directors. Atty. Pagsibigan and Atty. Castañeda do not possess any of the disqualifications enumerated under the Code of Corporate Governance and SEC Memorandum Circular No. 19, Series of 2016.

The certification of the independent directors are attached hereto as Annexes "A-1 and A-2."

The Company has complied with the guidelines on the nomination and election of independent directors set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. The Nominations Committee of the Company is composed of Manuel B. VIllar, Jr. as Chairman and Maribeth C. Tolentino and Ana Marie V. Pagsibigan as members.

Significant Employees

The Company has no other significant employee other than its Executive Officers.

Family Relationships

Mr. Manuel B. Villar Jr. is the father of Ms. Camille A. Villar. They are both part of the Company's Board of Directors.

Compensation of Directors and Executive Officers

Executive Compensation

The compensation for its executive officers for the years 2020 and 2021 (actual) and 2022 (projected) are shown below:

Name and Principal Position		Year	Salary	Bonus	Others
Manuel B. Villar, Jr.	Chairman				
Maribeth C. Tolentino	President of Golden MV Holdings, Inc.				
Rizalito J. Rosales	President of Bria Homes, Inc.				
Estrellita S. Tan	Chief Financial Officer / Chief Information Officer / Treasurer / Investor Relations				
Miles M. Teretit	Compliance Officer				
Aggregate executive compensation for above named officers		**Actual 2020**	**₱30.55M**	**₱3.65M**	**None**
		Actual 2021	**₱32.85M**	**₱3.73M**	**None**
		Projected 2022	**₱34.49M**	**₱3.92M**	**None**
Aggregate executive compensation of all other officers and directors, unnamed		**Actual 2020**	**₱29.46M**	**₱3.03M**	**None**
		Actual 2021	**₱23.66M**	**₱3.59M**	**None**
		Projected 2022	**₱24.84M**	**₱3.77M**	**None**

Standard arrangements

Other than payment of reasonable per diem of P15,000 monthly and for every meeting per non- executive director there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly by the Company's subsidiaries, for any services provided as a director for 2019 and 2020.

Director	Total Remuneration in 2021
Manuel B. Villar, Jr.	-
Maribeth C. Tolentino	-
Rizalito J. Rosales	-
Frances Rosalie T. Coloma	-
Camille A. Villar	-
Ana Marie V. Pagsibigan	Php 262,500
Garth F. Castañeda	Php 262,500

Each director of the Company receives a per diem of Php15,000 for attendance in a Board meeting and a Php15,000 allowance for attendance in a committee meeting (except for independent directors).

Other arrangements

Except for each of the individual Directors' participation in the Board, no Director of the Company enjoys other arrangements such as consulting contracts or similar arrangements.

Employment contract between the company and executive officers

There are no special employment contracts between the Company and the named executive officers.

Warrants and options held by the executive officers and directors

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

Significant employee

While the Company values the contribution of each of its executive and non-executive employees, the Company believes there is no non-executive employee that the resignation or loss of whom wo uld have a material adverse impact on the business of the Company. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Company.

Certain relationships and related transactions

The Company, in the ordinary course of its business, engages in transactions with related parties. The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

For further discussion on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to related parties, See Note 16 of the Company's AFS included in this report.

Except as disclosed in the Annual Report of the Registrant (SEC Form 17-A) for the year ended December 31, 2021, the Registrant has not had any transaction during the last two (2) years in which any director or executive officer of the Company or any of their immediate family members had a direct or indirect interest.

Independent Public Accountants

Punongbayan & Araullo, independent certified public accountants, audited the Company's

consolidated financial statements without qualification as of and for the years ended December 31, 2019, 2020 and 2021, included in this report.

Punongbayan & Araullo has acted as the Company's external auditors since June 15, 2015. James Joseph Benjamin J. Araullo is the current audit partner for the Company and the other subsidiaries. The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. Punongbayan & Araullo has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Representatives of Punongbayan & Araullo for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by Punongbayan & Araullo:

	2021*	**2020***
Audit and Audit-Related Fees:		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱ 2,250,000.00	₱ 2,250,000.00
All other fees	–	–
Total	**₱ 2,250,000.00**	**₱ 2,250,000.00**
** Consolidated audit fees of the parent and the subsidiary*		

Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

Since the incorporation of the Registrant in 1982, there was no instance where the Registrant's public accountants resigned or indicated that they decline to stand for re-election or were dismissed nor was there any instance where the Registrant had any disagreement with its public accountants on any accounting or financial disclosure issue.

The 2021 audit of the Registrant is in compliance with paragraph (3)(b)(iv) of SRC Rule 68, as amended, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier.

Audit Committee's Approval Policies and Procedures

In relation to the audit of the Registrant's annual financial statements, the Registrant's Corporate Governance Manual provides that the Registrant's Audit Committee shall, among other activities, (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Registrant; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Registrant with acceptable auditing and accounting standards and regulations.

The Audit Committee of the Registrant is composed of Ana Marie V. Pagsibigan, the Chairman, and the committee members Garth F. Castaneda and Frances Rosalie T. Coloma.

OTHER MATTERS

Action with Respect to Reports

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

1. Minutes of the last Annual Meeting of Stockholders held on July 15, 2021, covering the following matters: (i) approval of the President's Report and the Annual Report for the year 2020; (ii) approval and adoption of the Audited Financial Statements for the year ended December 31, 2020; (iii) ratification of all acts of the Board of Directors and Management since the annual

stockholders' meeting held in August 2020; (iv) election of the directors and independent directors of the Company for the ensuing fiscal year; and (v) appointment of the external auditor of the Company for the fiscal year 2021.

2. Audited Financial Statements for the year 2021.

Other Proposed Actions

1. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the SEC and the PSE. These minutes cover various resolutions of the

   Board, including approval of the 2021 Audited Financial Statements; appointment of Officers and Board Committee members; opening of bank accounts and availment of banking and financial products and services; appointment of authorized signatories for various transactions in the normal course of business of the Company; appointment of authorized signatories and representatives for memorial park and office transactions of the Company, application and registration of memorial park projects with local government units; appointment of authorized signatories for bank borrowings; land acquisitions (for the memorial park business); approval of Quarterly and Annual reports of the company as filed in the SEC and the PSE; and compliance with requirements of the SEC.

2. Approval of the appointment of Punongbayan & Araullo as external auditor of the Company for the year 2022.

Voting Procedures

Manner of voting

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them among as many candidates as he shall see fit.

For this year's meeting, the Board of Directors had adopted a resolution to allow stockholders entitled to notice of, and to attend the meeting, to exercise their right to vote *in absentia*.

Stockholders as of Record Date who have successfully registered their intention to participate in the annual meeting via remote communication and to vote *in absentia,* duly verified and validated by the Company, shall be provided with unique log-in credentials to securely access the voting portal. A stockholder voting electronically in absentia shall be deemed present for purposes of quorum.

Stockholders and the Chairman as proxy holder can cast their votes on specific matters for approval, including the election of directors.

Voting requirements

(a) With respect to the election of directors, candidates who received the highest number of votes shall be declared elected.

(b) With respect to the approval of the minutes of the last annual meeting of stockholders and the Audited Financial Statements for the year ended December 31, 2021, and the approval or ratification of the other actions set forth under the heading "Other Proposed Actions" above, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

Method of counting votes

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are participating in the meeting by remote communication and are voting in absentia or represented by proxies.

All votes received shall be tabulated by the Office of the Corporate Secretary with the assistance of the Company's stock transfer agent. The Corporate Secretary shall report the results of voting during the meeting.

Participation via Remote Communication

To comply with applicable regulations on mass gatherings, and/or requirements of social distancing to prevent the spread of COVID-19 and to ensure the safety, security, and welfare of our directors and stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will only allow attendance through remote communication, as set forth above, by voting in absentia or by voting through the Chairman of the meeting as proxy.

The live webcast of the Annual Stockholders Meeting may be accessed through https://vote.goldenmv.com.ph/vsrv/registration.

THE COMPANY'S ANNUAL REPORT IS POSTED IN THE COMPANY'S WEBSITE. UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE REGISTRANT UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-A FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED AS FOLLOWS:

Golden MV Holdings, Inc.
San Ezekiel, C5 Extension
Las Piñas City, Philippines

Attention: Estrellita S. Tan

PART II

MANAGEMENT REPORT

I. FINANCIAL STATEMENTS

The Financial Statements of the Company as of and for the year ended December 31, 2021 are incorporated herein in the accompanying Index to Financial Statements and Supplementary Schedules.

II. INFORMATION ON INDEPENDENT ACCOUNTANT

Punongbayan & Araullo, independent certified public accountants, audited the Company's consolidated financial statements without qualification as of and for the year ended December 31, 2021 included in this report.

Punongbayan & Araullo has acted as the Company's external auditors since June 15, 2015. James Joseph Benjamin J. Araullo is the current audit partner for the Company and the other subsidiaries. The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. Punongbayan & Araullo has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

In relation to the audit of the Company's annual financial statements, the Company's Corporate Governance Manual provides that the audit committee shall, among other activities (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by Punongbayan & Araullo:

	2021*	**2020***
Audit and Audit-Related Fees:		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱ 2,250,000.00	₱ 2,250,000.00
All other fees	–	–
Total	**₱ 2,250,000.00**	**₱ 2,250,000.00**

**Consolidated audit fees of the parent and the subsidiary*

III. MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS COVERING 3-MONTHS OF 2022 VS. 3-MONTHS OF 2021

Revenues
The revenues of the Company increased from **₱1,538.7 million** for the 3-months ended March 31, 2021 to **₱1,547.2 million** for the 3-months ended March 31, 2022**.** This was primarily attributable to the following:

- **Real estate sales**
  Real estate sales of the group increased to **₱1,479.4 million** for the 3-months of 2022 from **₱1,475.7 million** in the same period in 2021. This was due mainly to a increase in the sale of memorial lots for Golden Haven.

- **Interest income on contract receivables**
  Income from interest on contract receivables were recorded at **₱43.5 million** in 3-months of 2022, increasing by **10%** compared to **₱39.7 million** in 3-months of 2021. This was due to the increase in-house financed transactions made in 3-months of 2022 compared to3-months of 2021.

- **Interment income**
  There was 11% increase in income from interment services, to ₱16.6 million in 3-months of 2022 from ₱14.9 million in the same period in 2021. This was attributable to the increase in the number of services rendered in 3-months of 2022, compared to the same period in 2021.

- **Income from chapel services**
  Income from chapel services decreased by **9%**, to **₱7.7 million**, from **₱8.4 million**, due to the decrease in the number of memorial chapel services and rendered in 3-months of 2022, compared to the same period in 2021.

Costs and Expenses
Cost and expenses decreased to **₱1,034.9 million** in 3-months ended March 31, 2022, from **₱1,064.7 million** for period ended March 31, 2021. The **3%** decrease was primarily attributable to the following:

- **Cost of sales and services**
  The cost of sales and services decreased by **4%**, to **₱725.8 million** in 3-months of 2022, from **₱759.4 million** in 3-months 2021, due to the lower number of memorial lots and columbarium vaults sold by Golden Haven, and residential units sold by Bria Homes in the 3-months 2022 compared to the same period previous year.

- **Other operating expenses**
  A **1%** increase in other operating expenses, to **₱309.1 million** in 3-months of 2022 from **₱305.3 million** in 3-months of 2021, due primarily to increase in salaries and wages, outside service, commissions and promotions for the period.

Other Charges - Net
Other charges - net decreased to **₱55.1 million** in the 3-months of 2022, from **₱69.9 million** in 3-months of 2021. The **21%** decrease was mainly attributable to an increase in other revenues for the period.

Tax Expense
The Company's tax expense increased by **21%,** to **₱29.0 million** for 3-months of 2022 from **₱23.9 million** for 3-months of 2021 primarily due to a higher taxable base for the period.

Net Income
As a result of the movements above, total net profits increased by **13%**, to **₱428.2 million** in 3-months of 2022 from **₱380.2 million** recorded in 3-months of 2021.

For the 3-months of 2022, except as discussed in Note 1.2 of the 2021 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Group. Neither

were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Group's continuing operations.

FINANCIAL CONDITION AS OF MARCH 31, 2022 VS. DECEMBER 31, 2021

The Group's total assets were recorded at **₱26,802.8 million** as of March 31, 2022, slightly lower compared to the **₱26,825.8 million** recorded as of December 31, 2021. This increase was due to the following movements:

- Cash and cash equivalents decreased by **6%**, from **₱1,924.3 million** as of December 31, 2021, to **₱1,805.8 million** as of March 31, 2022, due to payments made by the Company during the period .

- Total contracts receivable and contract assets, including non-current, increased by **5%** from **₱13,551.9 million** as of December 31, 2021, to **₱14,186.6 million** as of March 31, 2022 due to sales on account recorded over the period.

- Other receivables decreased by **5%** from **₱2,355.1 million** as of December 31, 2021, to **₱2,240.3 million** as of March 31, 2022 due primarily to the decrease in advances to contractors.

- Due from related parties decreased by **44%** from **₱13.2 million** as of December 31, 2021, to **₱7.4 million** as of March 31, 2022 due payments of advances made to related parties.

- Real Estate inventories decreased by **6%** from **₱7,291.4 million** as of December 31, 2021, to **₱6,868.7 million** as of March 31, 2022 due to real estate sales for the period.

The Group's total liabilities were recorded at **₱14,990.8 million** as of March 31, 2022, slightly lower compared to the **₱15,442.1 million** recorded as of December 31, 2021. This decrease was due to the following movements:

- Total interest-bearing loans, including non-current, increased by **2%**, from **₱6,825.3 million** as of December 31, 2021 to **₱6,960.8 million** as of March 31 2022, due to new availments made by the Group during the period.

- Trade and other payables decreased by **30%**, from **₱2,146.6 million** as of December 31, 2021 to **₱1,496.6 million** as of March 31, 2022 due to payments made by the Company during the period.

- Income tax payable increased by **57%**, from **₱13.7 million** as of December 31, 2021 to **₱21.5 million** as of March 31, 2022 primarily due to the current tax expense incurred during the period.

Total stockholder's equity increased by **4%** or by **₱428.2 million** from **₱11,383.8 million** as of December 31, 2021 to **₱11,812.0 million** as of March 31, 2022, due to an increase in retained earnings by **6%,** from **₱7,784.5 million** in December 31, 2021, to **₱8,212.6 million** as of March 31, 2022, coming from the net income earned during the period.

MATERIAL CHANGES TO THE GROUP'S STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2022 COMPARED TO DECEMBER 31, 2021 (INCREASE/DECREASE OF 5% OR MORE)

- Cash and cash equivalents decreased by **₱118.6 million**, or **6%**, from **₱1,924.3 million** as of December 31, 2021, to **₱1,805.8 million** as of March 31, 2022, due to payments made by the Company during the period.

- Total contracts receivable and contract assets, including non-current, increased by **₱634.6 million,** or **5%** from **₱13,551.9 million** as of December 31, 2021, to **₱14,186.6 million** as of March 31, 2022 due to sales on account recorded over the period.

- Due from related parties decreased by **₱5.9 million**, or **44%,** from **₱13.2 million** as of December 31, 2021 to **₱7.4 million** as of March 31, 2022 due primarily to payments of advances made to related parties.

- Other receivables decreased by **₱114.8 million,** or **5%** from **₱2,355.1 million** as of December 31, 2021, to **₱2,240.3 million** as of March 31, 2022 due primarily to the decrease in advances to contractors.

- Real Estate inventories decreased by **₱422.7 million,** or **6%** from **₱7,291.4 million** as of December 31, 2021, to **₱6,868.7 million** as of March 31, 2022 due to real estate sales for the period.

- Trade and other payables decreased by **₱650.1 million,** or **30%**, from **₱2,146.6 million** as of December 31, 2021 to **₱1,496.6 million** as of March 31, 2022 due to payments made by the Company during the period.

- Income tax payable increased by **₱7.8 million**, or **57%**, from **₱13.7 million** as of December 31, 2021 to **₱21.5 million** as of March 31,2022 primarily due to the delayed payment in the full year income tax due. Full year income tax payable were paid last April 18, 2022.

- Total stockholder's equity increased by **₱428.2 million** or **4%** from **₱11,383.8 million** as of December 31, 2021 to **₱11,812.0 million** as of March 31, 2022, due mostly to an increase in retained earnings by **6%,** from **₱7,784.4.5 million** in December 31, 2021, to **₱8,212.6 million** as of March 31, 2022, due to net income earned during the period.

MATERIAL CHANGES TO THE GROUP'S STATEMENT OF INCOME FOR THE 3-MONTHS OF 2022 COMPARED TO THE 3-MONTHS OF 2021 (INCREASE/DECREASE OF 5% OR MORE)

- Interest income on contract receivables increased by **₱3.8 million** or **10%**, to **₱43.5 million** in 3-months of 2022 from **₱39.7 million** in the same period in 2021. This was due to the increase on in-house financed transactions in 3-months of 2022.

- Income from interment services increased by **₱1.7 million** or **11%**, to **₱16.6 million** in 3-months of 2022 from **₱14.9 million** in the same period in 2021. This was attributable to the increase in the number of services rendered in 3-months of 2022, compared to the same period in 2021.

- Income from chapel decreased by **₱0.7 million** or **9%**, to **₱7.7 million** in 3-months of 2022 from **₱8.4 million** in 3-months of 2021 due to the decrease in the number of memorial chapel services in 3-months of 2022, compared to the same period in 2021.

- Other charges - net decreased by **₱14.8 million** or **21%**, to **₱55.1 million** in the 3-months of 2022, from **₱69.9 million** in 3-months of 2021. The decrease was mainly attributable to the increase in other revenues of the Group.

- Tax expense increased by **₱5.1 million** or **21%,** to **₱29.0 million** for 3-months of 2022 from **₱23.9 million** for 3-months of 2021. This was primarily due to a higher taxable base for the period.

- As a result of the movements above, net profit increased by **₱48.0 million** or **13%,** to **₱428.2 million** for 3-months of 2022 from **₱380.2 million** for 3-months of 2021.

For the 3-months of 2022, except as discussed in Note 1.2 of the 2022 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Group. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Group's continuing operations.

COMMITMENTS AND CONTINGENCIES

The Group is a lessee under non-cancellable operating lease agreements for its office spaces. The leases have terms ranging from three to five years with renewal options upon mutual written agreement between the parties, and include annual escalation in rental rates.

There are other commitments and contingent liabilities that arise in the normal course of the Group's operations, which are not reflected in the financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Group's financial statements.

REVIEW OF YEAR-END 2021 VS YEAR-END 2020

RESULTS OF OPERATIONS

Revenues

The revenues of the Company decreased from **₱ 5,221 million** for the year ended December 31, 2020 to **₱ 5,169 million** for the year ended December 31, 2021, decreasing by **1%.** The decrease was primarily attributable to the following:

- Real estate sales decreased by **3%** from **₱ 5,024 million** for the year ended December 31, 2020 to **₱ 4,877 million** in the year ended December 31, 2021, due mainly to decreases in sales of residential units and memorial park lots.

- Interment income increased from **₱47 million** for the year ended December 31, 2020 to **₱ 75 million** for the year ended December 31, 2021, increasing by **60%**, due to a higher number of interment services rendered for the year.

- Interest income on contract receivables increased from **₱126 million** for the year ended December 31, 2020 to **₱183 million** for the year ended December 31, 2021. This **45%** change was due mostly to an increase on in-house financed sales over the year compared to previous year.

- Income from chapel services increased from **₱24 million** for the year ended December 31, 2020 to **₱34 million** for the year ended December 31, 2021. The **42%** increase was due to the higher number of memorial services rendered for the year.

Costs and Expenses

Cost and expenses of the Company decreased from **₱ 3,750 million** for the year ended December 31, 2020 to **₱3,555 million** for the year ended December 31, 2021. The **5%** decrease in the account was mainly attributable to the following:

- Cost of sales and services decreased from **₱2,604 million** for the year ended December 31, 2020 to **₱ 2,400 million** in the year ended December 31, 2021. The **8%** decrease was due mainly to a decrease in both residential units and memorial lots sold.

- Other operating expenses increased by **1%**, from **₱1,146 million** for the year ended December 31, 2020 to **₱1,156 million** in the year ended December 31, 2021. The increase was due primarily to increase in salaries and wages, promotions and prompt payment discounts.

Other Charges – Net

Other charges – net increased from a loss of **₱124 million** for the year-end 2020 to a decline in other income of **₱166 million** for the year-end 2021. The **34%** increase was due primarily to the increase in finance costs for the period.

Tax Expense

Tax expense decreased from **₱127 million** for year-end 2020 to Tax income of **₱90 million** for year-end 2021. This was attributable to the remeasurement of deferred tax due to CREATE Act.

Net Income

As a result of the movements above, total net profits increased from **₱1,220 million** for the year-end 2020 to **₱1,538 million** recorded in year-end 2021, or an increase of **26%**.

For the year-end 2021, except as discussed in Note 1.2 of the 2021 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there were no seasonal aspects that had a material effect on the financial condition or results of the operations of the Group. Neither were there any trends, events, or uncertainties that have had or are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and the revenues.

There are no significant elements of income or loss, which did not arise from the Company's continuing operations.

FINANCIAL CONDITION

As of December 31, 2021 vs. December 31, 2020

The Company's total assets were recorded at **₱26,825 million** as of December 31, 2021, increasing by **1%,** from **₱26,555 million** recorded as of December 31, 2020, due to the following:

- Cash on-hand and in-banks increased by **25%**, from **₱1,544 million** as of December 31, 2020 to **₱1,924 million** as of December 31, 2021, mainly due to increase in collection of sales on account.

- Total contracts receivable and contract assets, including non-current, decreased by **1%** from **₱13,629 million** as of December 31, 2020 to **₱13,552 million** as of December 31, 2021 due mainly to the decrease in the contracts receivable resulting from a decrease in sales on account recorded over the year compared to previous year.

- Due from related parties increased by **27%** from **₱10 million** as of December 31, 2020 to **₱13 million** as of December 31, 2021 due to advances recorded over the period.

- Other Receivable increased by **6%** from **₱2,226 million** as of December 31, 2020 to **₱2,355 million** as of December 31, 2021 due to advance payments to contractors or suppliers for purchase of construction materials and supplies recorded over the period.

- Other current assets, increased by **16%,** from **₱1,099 million** as of December 31, 2020 to **₱1,279 million** as of December 31, 2021, due mostly from purchased construction materials related to construction of residential houses.

- Right of use assets-net increased by **84%,** from **₱18 million** as of December 31, 2020 to **₱34 million** as of December 31, 2021, due primarily to additional office rentals made by the Company.

- Property Plant and Equipment – net decreased by **11**%, from **₱296 million** as of December 31, 2020 to **₱263 million** as of December 31, 2021, due mainly to sale of property and equipment at its carrying value.

- Other non-current assets decreased by **62%**, from **₱101 million** as of December 31, 2020 to **₱38 million** as of December 31, 2021, due mainly to the decrease in security deposit for the year.

The total liabilities of the Company decreased by **8%**, from **₱ 16,714 million** as of December 31, 2020 to **₱15,442 million** as of December 31, 2021, due to the following:

- Total Interest-bearing loans, including non-current, decreased by **5%**, from **₱7,206 million** as of December 31, 2020 to **₱6,825 million** as of December 31, 2021, due mostly to payment of interest-bearing loans obtained by the Company during the year.

- Rawland payable decreased by 3**6%** from **₱1,317 million** as of December 31, 2020 to **₱838 million** as of December 31, 2021 due to settlements made on the land purchased on account.

- Lease Liability, including non-current increased by **102%** from **₱17 million** as of December 31, 2020 to **₱35 million** as of December 31, 2020, due to additional office rentals made by the Company for the year.

- Customers' deposits decreased by **8%** from **₱2,952 million** as of December 31, 2020 to **₱2,716 million** as of December 31, 2020, due to sales reservation recorded for the year.

- Income tax payable decreased by **30%** from **₱20 million** as of December 31, 2020 to **₱14 million** as of December 31, 2021 due primarily to settlement for the year.

- Deferred tax Liability decreased by **18%** from **₱1,153 million** as of December 31, 2020 to **₱940 million** as of December 31, 2021 due to remeasurement of deferred taxes as a result of CREATE Act.

- Reserve for perpetual care increased by **5%** from **₱828 million** as of December 31, 2020 to **₱872 million** as of December 31, 2021 due to sales recorded for the period.

- Retirement benefit obligation increased from **₱98 million** as of December 31, 2020 to **₱103 million** as December 31, 2021 due to an increase in the present value of the obligation as recorded for the period.

Total stockholder's equity increased by **16%** from **₱9,840 million** as of December 31, 2020 to **₱11,384 million** as of December 31, 2021, due to the following:

- A **25%** increase in retained earnings, from **₱6,246 million** in December 31, 2020, to **₱7,784 million** as of December 31, 2021, mainly due to the net income recorded for the year ended December 31, 2021.

- A **28%** decrease in revaluation reserves from negative **₱21 million** as of December 31, 2020 to negative **₱15 million** as of December 31, 2021 mainly due to the remeasurement of post-employment defined benefit plan.

Considered as the top five key performance indicators of the Company for the period as shown below:

KEY PERFORMANCE INDICATORS		2021	2020
Liquidity:			
Current Ratio	Current Assets/Current Liability	2.52 :1	2.47 :1
Solvency:			
Debt-to-Equity Ratio	Total Debt/Total Equity	0.60 :1	0.73 :1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	2.36 :1	2.70 :1
Interest-rate-coverage:			
Interest-rate-coverage ratio	Profit Before Tax and Interest/Finance Costs (Including capitalized interest)	5.81 : 1	5.62 : 1
Profitability:			
Return-on-equity	Net Income/Equity	13.51%	12.40%

Material Changes to the Company's Statement of Financial Position as of December 31, 2021 compared to December 31, 2020 (increase/decrease of 5% or more)

- Cash on-hand and in-banks increased by **₱380.8 million** or **25%**, from **₱1,544 million** as of December 31, 2020 to **₱1,924 million** as of December 31, 2021, mainly due to collections of receivables from sales on account made by the Company during the period.

- Due from related parties increased by **₱2.9 million** or **27%** from **₱10 million** as of December 31, 2020 to **₱13 million** as of December 31, 2021 due to advances recorded over the period.

- Other Receivable increased by **₱128.9 million** or **6%** from **₱2,226 million** as of December 31, 2020 to **₱2,355 million** as of December 31, 2021 due to advance payments to contractors or suppliers for purchase of construction materials and supplies recorded over the period.

- Other current assets increased by **₱180.0 million** or **16%,** from **₱1,099 million** as of December 31, 2020 to **₱1,279 million** as of December 31, 2021, due mostly to purchase of construction materials related to construction of residential houses.

- Property Plant and Equipment – net decreased by **₱33.4 million or 11%**, from **₱296 million** as of December 31, 2020 to **₱263 million** as of December 31, 2021, due mainly to sale of property and equipment at its carrying value.

- Right of use assets-net increased by **₱15.4 million** or **84%,** from **₱18 million** as of December 31, 2020 to **₱34 million** as of December 31, 2021, due to increase in office rentals for the year.

- Other non-current assets decreased by **₱62.8 million** or **62%**, from **₱101 million** as of December 31, 2020 to **₱38 million** as of December 31, 2021, due mainly to the decrease in security deposit for the year.

- Total Interest-bearing loans, including non-current, decreased by **₱380.8 million** or **5%**, from **₱7,206 million** as of December 31, 2020 to **₱6,825 million** as of December 31, 2021, due mostly to interest-bearing loans payment made by the Company during the period.

- Raw land payable decreased by **₱478.4 million** or **36%** from **₱1,317 million** as of December 31, 2020 to **₱838 million** as of December 31, 2021 due to settlements made of land purchased on account.

- Customers' deposits decreased by **₱236.0 million** or **8%** from **₱2,952 million** as of December 31, 2020 to **₱2,716 million** as of December 31, 2021, due mainly to sales reservation recorded for the year.

- Lease liabilities including non-current portion increased by **₱18 million** or **102%** from **₱17 million** as of December 31, 2020 to **₱35 million** as of December 31, 2021, due to increase in office rentals for the year.

- Income tax payable decreased by **₱5.8 million** or **30%** from **₱20 million** as of December 31, 2020 to **₱14 million** as of December 31, 2021 due primarily to the settlement for the year.

- Deferred tax Liability decreased by **₱213.0 million** or **18%** from **₱1,153 million** as of December 31, 2020 to **₱940 million** as of December 31, 2021 due to remeasurement of deferred taxes as a result of CREATE Act.

- Reserve for perpetual care increased by **₱44.5 million** or **5%** from **₱828 million** as of December 31, 2020 to **₱872 million** as of December 31, 2021 due to sales recorded for the period.

- Retirement benefit obligation increased by **₱4.8 million** or **5%** from **₱98 million** as of December 31, 2020 to **₱103 million** as December 31, 2021 due to an increase in the present value of the obligation as recorded for the period.

- Total stockholder's equity increased by **₱1,543.9 million** or **16%,** from **₱9,840 million** as of December 31, 2020 to **₱11,384 million** as of December 31, 2021. This change was primarily due to the **25%** increase in retained earnings from **₱6,246 million** as of December 31, 2020 to **₱7,784 million** as of December 31, 2021, and a **28%** decrease in revaluation reserves from negative **₱21 million** as of December 31, 2020 to negative **₱15 million** as of December 31, 2021.

Material Changes to the Company's Statement of income for the year ending 2021 compared to year ending 2020 (increase/decrease of 5% or more)

- Interest income on contract receivables increased by **₱ 57.2 million**, from **₱ 126 million** for the year ended December 31, 2020 to **₱ 183 million** for the year ended December 31, 2021. The **45%** increase was due mainly to the increase on in-house financed transactions made during the period.

- Income from chapel services increased by **₱10.1 million**, or by **42%**, from **₱24 million** for the year ended December 31, 2020 to **₱ 34 million** for the year ended December 31, 2021 due to the increase in memorial services rendered during the period.

- Interment income increased by **₱ 28.4 million** or **60%,** from **₱ 47 million** for the year ended December 31, 2020 to **₱75 million** for the year ended December 31, 2021, due to an increase in the number of interment services rendered for the year.

- Cost of sales and services decreased by **₱ 204.0 million** or **8%,** from **₱ 2,604 million** for the year ended December 31, 2020 to **₱ 2,400 million** in the year ended December 31, 2021, due to parallel decrease in memorial park lot and residential lot sales during the year.

- Other charges – net increased by **₱42.5 million** or **34%** from a of **₱124 million** for the year-end 2020 to **₱166 million** for the year-end 2021. This was due primarily to the decrease in other income for the period.

- The Company's tax expense decreased by **₱217.5 million,** from tax expense **₱127 million** for year-end 2020 to tax income of **₱90 million** for year-end 2021. The **171%** decrease was mainly attributable to remeasurement of deferred taxes due to CREATE Act..

- Net Profit increased by **₱318.3 million,** from **₱1,220 million** for year ended December 31, 2020 to **₱1,538 million** for the year ended December 31, 2020. The **26%** increase was primarily due to tax income as a result of CREATE Act.

There are no other material changes in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, except as discussed in Note 1.2 of the 2021 Financial Statements on the impact of Covid -19 Pandemic in the Group's business, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

REVIEW OF YEAR-END 2020 VS YEAR-END 2019

RESULTS OF OPERATIONS

Revenues

The revenues of the Company decreased from **₱ 8,645 million** for the year ended December 31, 2019 to **₱ 5,221 million** for the year ended December 31, 2020, decreasing by **40%.** The decrease was primarily attributable to the following:

- Real estate sales decreased by **41%** from **₱8,453 million** for the year ended December 31, 2019 to **₱5,024 million** in the year ended December 31, 2020, due mainly to decreases in sales of residential units and memorial park lots.

- Interment income increased from **₱39 million** for the year ended December 31, 2019 to **₱47 million** for the year ended December 31, 2020, increasing by **21%**, due to a higher number of interment services rendered for the year.

- Interest income on contract receivables increased from **₱110 million** for the year ended December 31, 2019 to **₱126 million** for the year ended December 31, 2020. This **14%** change was due mostly to an increase on in-house financed sales over the year compared to previous year.

- Income from chapel services decreased from **₱ 42 million** for the year ended December 31, 2019 to **₱24 million** for the year ended December 31, 2020. The **42%** decrease was due to the lower number of memorial services rendered for the year.

Costs and Expenses

Cost and expenses of the Company decreased from **₱ 5,808 million** for the year ended December 31, 2019 to **₱3,750 million** for the year ended December 31, 2020. The **35%** decrease in the account was mainly attributable to the following:

- Cost of sales and services decreased from **₱4,372 million** for the year ended December 31, 2019 to **₱ 2,604 million** in the year ended December 31, 2020. The **40%** decrease was due mainly to a decrease in both residential units and memorial lots sold, as well as the decrease in services rendered over the year.

- Other operating expenses decreased by **20%**, from **₱ 1,436 million** for the year ended December 31, 2019 to **₱1,146 million** in the year ended December 31, 2020. The decrease was due primarily to decreases in commissions and promotions due to lower sales, decrease in advertising expense and outside services expenses.

Other Charges – Net

Other charges – net increased from a loss of **₱17 million** for the year-end 2019 to a loss of **₱124 million** for the year-end 2020. The **639%** increase was due primarily to the increase in finance costs on the bank loans availed by the company. ***Tax Expense***

Tax expense decreased from **₱252 million** for year-end 2019 to **₱127 million** for year-end 2020. This was attributable to the lower taxable income base in year-end 2020 compared to the same period from the previous year.

Net Income

As a result of the movements above, total net profits increased from **₱2,568 million** for the year-end 2019 to **₱1,220 million** recorded in year-end 2020, or a decrease of **52%**.

For the year-end 2020, except as discussed in Note 1.2 of the 2020 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there were no seasonal aspects that had a material effect on the financial condition or results of the operations of the Group. Neither were there any trends, events, or uncertainties that have had or are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and the revenues.

There are no significant elements of income or loss, which did not arise from the Company's continuing operations.

FINANCIAL CONDITION

As of December 31, 2020 vs. December 31, 2019

The Company's total assets was recorded at **₱26,555 million** as of December 31, 2020, decreasing by **4%,** from **₱27,590 million** recorded as of December 31, 2019, due to the following:

- Cash on-hand and in-banks decreased by **45%**, from **₱2,796 million** as of December 31, 2019 to **₱1,544 million** as of December 31, 2020, mainly due to loan payments made by the Company during the year.

- Total contracts receivable and contract assets, including non-current, increased by **8%** from **₱12,632 million** as of December 31, 2019 to **₱13,629 million** as of December 31, 2020 due mainly to the increase in the contracts receivable resulting from an increase in sales on account recorded over the year compared to previous year.

- Other current assets, decreased by **29%,** from **₱1,554 million** as of December 31, 2019 to **₱1,099 million** as of December 31, 2020, due mostly from purchased construction materials related to construction of residential houses as well as a decrease in prepaid expenses.

- Right of use assets-net increased by **12%,** from **₱16 million** as of December 31, 2019 to **₱18 million** as of December 31, 2020, due primarily to additional office rentals made by the Company.

- Investment properties decreased by **25%**, from **₱101 million** as of December 31, 2019 to **₱76 million** as of December 31, 2020, due mainly to the reclassification of certain parcels of land to real estate inventories due to change in use for the said assets.

- Other non-current assets increased by **9%**, from **₱93 million** as of December 31, 2019 to **₱101 million** as of December 31, 2020, due mainly to the increase in security deposit for the year.

The total liabilities of the Company decreased by **12%**, from **₱ 18,965 million** as of December 31, 2019 to **₱16,715 million** as of December 31, 2020, due to the following:

- Total Interest-bearing loans, including non-current, decreased by **6%**, from **₱7,626 million** as of December 31, 2019 to **₱7,206 million** as of December 31, 2020, due mostly to payment of interest-bearing loans obtained by the Company during the year.

- Rawland payable decreased by **6%** from **₱1,404 million** as of December 31, 2019 to **₱1,317 million** as of December 31, 2020 due to settlements made on the land purchased on account.

- Customers' deposits increased by **10%** from **₱2,695 million** as of December 31, 2019 to **₱2,952 million** as of December 31, 2019, due to sales reservation recorded for the year.

- Income tax payable decreased by **16%** from **₱23 million** as of December 31, 2019 to **₱20 million** as of December 31, 2020 due primarily to settlement for the year.

- Reserve for perpetual care increased by **17%** from **₱710 million** as of December 31, 2019 to **₱828 million** as of December 31, 2020 due to sales recorded for the period.

- Retirement benefit obligation increased from **₱78 million** as of December 31, 2019 to **₱98 million** as December 31, 2020 due to an increase in the present value of the obligation as recorded for the period.

Total stockholder's equity increased by **14%** from **₱8,624 million** as of December 31, 2019 to **₱9,840 million** as of December 31, 2020, due to the following:

- A **24%** increase in retained earnings, from **₱5,027 million** in December 31, 2019, to **₱6,246 million** as of December 31, 2020, mainly due to the net income recorded for the year ended December 31, 2020.

- A **27%** increase in revaluation reserves from negative **₱16 million** as of December 31, 2019 to negative **₱21 million** as of December 31, 2020 mainly due to the revaluation of post-employment defined benefit plan.

Considered as the top five key performance indicators of the Company for the period as shown below:

KEY PERFORMANCE INDICATORS		2020	2019
Liquidity:			
Current Ratio	Current Assets/Current Liability	2.47 :1	2.02 :1
Solvency:			
Debt-to-Equity Ratio	Total Debt/Total Equity	0.73 :1	0.88 :1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	2.70 :1	3.20 :1
Interest-rate-coverage:			
Interest-rate-coverage ratio	EBITDA/Interest Expense	0.24 : 1	0.42 : 1
Profitability:			
Return-on-equity	Net Income/Equity	12.40%	29.77%

Material Changes to the Company's Statement of Financial Position as of December 31, 2020 compared to December 31, 2019 (increase/decrease of 5% or more)

- Cash on-hand and in-banks decreased by **₱1,252 million** or **45%**, from **₱2,796 million** as of December 31, 2019 to **₱1,544 million** as of December 31, 2020, mainly due to loan payments made by the Company during the period.

- Total contracts receivable and contract assets, including non-current, increased by **₱997 million** or **8%** from **₱12,632 million** as of December 31, 2019 to **₱13,629 million** as of December 31, 2020 due to sales on account recorded over the period.

- Other current assets decreased by **₱454 million** or **29%,** from **₱1,554 million** as of December 31, 2019 to **₱1,099 million** as of December 31, 2020, due mostly from usage of the purchased construction materials related to construction of residential houses as well as a decrease in prepaid expenses.

- Right of use assets-net increased by **12%,** from **₱16 million** as of December 31, 2019 to **₱18 million** as of December 31, 2020, due to increase in office rentals for the year.

- Investment properties decreased by **₱25 million** or 25**%**, from **₱101 million** as of December 31, 2019 to **₱76 million** as of December 31, 2020, due mainly to reclassification of certain parcels of land to real estate inventories due to change in use for the said assets.

- Other non-current assets increased by **9%**, from **₱93 million** as of December 31, 2019 to **₱101 million** as of December 31, 2020, due mainly to the increase in security deposit for the year.

- Total Interest-bearing loans, including non-current, decreased by **₱420 million** or **6%**, from **₱7,626 million** as of December 31, 2019 to **₱7,206 million** as of December 31, 2020, due mostly to interest-bearing loans payment made by the Company during the period.

- Raw land payable decreased by **₱88 million** or **6%** from **₱1,404 million** as of December 31, 2019 to **₱1,316 million** as of December 31, 2020 due to settlements made of land purchased on account.

- Customers' deposits increased by **₱257 million** or **10%** from **₱2,695 million** as of December 31, 2019 to **₱2,952 million** as of December 31, 2020, sales reservation recorded for the year.

- Lease liabilities including non-current portion increased by **13%** from **₱16 million** as of December 31, 2019 to **₱18 million** as of December 31, 2020, due to increase in office rentals for the year.

- Income tax payable decreased by **₱4 million** or **16%** from **₱23 million** as of December 31, 2019 to **₱20 million** as of December 31, 2020 due primarily to the settlement for the year

- Reserve for perpetual care increased by **₱118 million** or **17%** from **₱710 million** as of December 31, 2019 to **₱828 million** as of December 31, 2020 due to sales recorded for the period.

- Retirement benefit obligation increased by **₱20 million,** from **₱78 million** as of December 31, 2019 to **₱98 million** as December 31, 2020 due to an increase in the present value of the obligation as recorded for the period.

- Total stockholder's equity increased by **₱1,215 million** or **14%,** from **₱8,624 million** as of December 31, 2019 to **₱9,840 million** as of December 31, 2020. This change was primarily due to the **24%** increase in retained earnings from **₱5,027 million** as of December 31, 2019 to **₱6,246 million** as of December 31, 2020, and a **27%** increase in revaluation reserves from negative **₱16 million** as of December 31, 2019 to negative **₱21 million** as of December 31, 2020.

Material Changes to the Company's Statement of income for the year ending 2019 compared to year ending 2018 (increase/decrease of 5% or more)

- Real estate sales decreased by **₱ 3,430 million**, from **₱ 8,453 million** for the year ended December 31, 2019 to **₱5,024 million** in the year ended December 31, 2020. The **41%** decrease was due primarily to the decrease in sales of memorial park lots and of residential units.

- Interest income on contract receivables increased by **₱15 million**, from **₱110 million** for the year ended December 31, 2019 to **₱126 million** for the year ended December 31, 2020. The **14%** increase was due mainly to the increase on in-house financed transactions made during the period.

- Income from chapel services decreased by **₱ 18 million**, or by **42%**, from **₱ 42 million** for the year ended December 31, 2019 to **₱ 24 million** for the year ended December 31, 2020 due to the decrease in memorial services rendered during the period.

- Interment income increased by **₱ 8 million** or **21%,** from **₱ 39 million** for the year ended December 31, 2019 to **₱47 million** for the year ended December 31, 2020, due to an increase in the number of interment services rendered for the year.

- Cost of sales and services decreased by **₱ 1,768 million** or **40%,** from **₱ 4,372 million** for the year ended December 31, 2019 to **₱2,604 million** in the year ended December 31, 2020, due to parallel decrease in memorial park lot and residential lot sales made during the year.

- Other operating expenses decreased by **₱ 290 million,** from **₱ 1,436 million** for the year ended December 31, 2019 to **₱1,146 million** in the year ended December 31, 2020. The **18%** increase was due primarily to increases in commissions due to higher sales, and in salaries and wages due to new projects launched during the year.

- Other charges – net increased by **₱107 million or 639%** from a loss of **₱17 million** for the year-end 2019 to a loss of **₱124 million** for the year-end 2020. This was due primarily to the increase in finance costs on the bank loans availed by the company.

- The Company's tax expense decreased by **₱125 million,** from **₱252 million** for year-end 2019 to
  ₱127 million for year-end 2020. The **50%** decrease was mainly attributable to the profit for the year.

- Net Profit decreased by **₱1,348 million,** from **₱2,568 million** for year ended December 31, 2019 to **₱1,220 million** for the year ended December 31, 2020. The **53%** decrease was primarily due to the lower sales and revenues from operations of the company during the period.

There are no other material changes in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, except as discussed in Note 1.2 of the 2020 Financial Statements on the impact of Covid -19 Pandemic in the Group's business, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

REVIEW OF YEAR-END 2019 VS YEAR-END 2018

RESULTS OF OPERATIONS

Revenues

The revenues of the Company increased from **₱5,821 million** for the year ended December 31, 2018 to **₱ 8,645 million** for the year ended December 31, 2019, increasing by **49%.** This growth was primarily attributable to the following:

- Real estate sales increased by **49%** from **₱5,655 million** for the year ended December 31, 2018 to **₱8,454 million** in the year ended December 31, 2019, due mainly to increases in sales of residential units and memorial park lots.

- Interment income grew from **₱33 million** for the year ended December 31, 2018 to **₱39 million** for

the year ended December 31, 2019, increasing by **18%**, due to a higher number of interment services rendered for the year.

- Interest income on contract receivables increased from **₱97 million** for the year ended December 31, 2018 to **₱110 million** for the year ended December 31, 2019. This **14%** change was due mostly to an increase on in-house financed sales over the year compared to previous year.

- Income from chapel services increased from **₱36 million** for the year ended December 31, 2018 to **₱42 million** for the year ended December 31, 2019. The **16%** increase was due to the higher number of memorial services and cremation packages rendered for the year.

Costs and Expenses

Cost and expenses of the Company increased from **₱4,100 million** for the year ended December 31, 2018 to **₱5,808 million** for the year ended December 31, 2019. The **42%** increase in the account was mainly attributable to the following:

- Cost of sales and services increased from **₱2,881 million** for the year ended December 31, 2018 to **₱4,372 million** in the year ended December 31, 2019. The **52%** increase was due mainly to an increase in both residential units and memorial lots sold, as well as the increase in services rendered over the year.

- Other operating expenses increased by **18%**, from **₱1,218 million** for the year ended December 31, 2018 to **₱1,437 million** in the year ended December 31, 2019. The increase was due primarily to increases in commissions due to higher sales, increase in advertising expense and salaries and wages due to new projects opened or launched during the year.

Other Income – Net

Other income – net decreased from an income of **P78 million** for the year-end 2018 to a loss of (**P16 million)** for the year-end 2019. The **122%** decrease was due primarily to the increase in finance costs on the bank loans availed by the company.

Tax Expense

Tax expense increased from **P232 million** for year-end 2018 to **P252 million** for year-end 2019. This was attributable to the higher taxable income base in year-end 2019 compared to the same period from the previous year.

Net Income

As a result of the movements above, total net profits increased from **P1,568 million** for the year-end 2018 to **P2,568 million** recorded in year-end 2019, or an increase of **64%**.

For the year-end 2019, there were no seasonal aspects that had a material effect on the financial condition or results of the operations of the Group. Neither were there any trends, events, or uncertainties that have had or are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and the revenues. Except as discussed in the notes to financial statements Events after the report date on the potential impact of the COVID-19 outbreak.

There are no significant elements of income or loss, which did not arise from the Company's continuing operations.

FINANCIAL CONDITION

As of December 31, 2019 vs. December 31, 2018

The Company's total assets was recorded at **P27,590 million** as of December 31, 2019, increasing by **50%,** from **P18,384 million** recorded as of December 31, 2018, due to the following:

- Cash on-hand and in-banks increased by **457%**, from **P501 million** as of December 31, 2018 to **P2,796 million** as of December 31, 2019, mainly due to the proceeds of the loans availed by the Company during the last quarter of the year.

- Total contracts receivable and contract assets, including non-current, increased by **55%** from **P8,152 million** as of December 31, 2018 to **P12,632 million** as of December 31, 2019 due mainly to the increase in the contracts receivable resulting from an increase in sales on account recorded over the year compared to previous year.

- Other receivables increased by **127%** from **P996 million** as of December 31, 2018 to **P2,263 million** as of December 31, 2019 due primarily to an increase in receivables from contractors and advances to employees brought about by expansion and development recorded during the year.

- Real estate inventories increased by **21%**, from **P6,445 million** as of December 31, 2018 to **P7,785 million** as of December 31, 2019 due to the expansion of existing Company projects and launches of new projects as well as reclassification from investment properties during the year.

- Other current assets, increased by **19%,** from **P1,301 million** as of December 31, 2018 to **P1,554 million** as of December 31, 2019, due mostly from purchased construction materials related to construction of residential houses as well as an increase in prepaid commissions brought about by higher sales during the year.

- Right of use assets-net increased by **100%,** from **nil** as of December 31, 2018 to **P16 million** as of December 31, 2019, due primarily to the adoption of PFRS 16 for the year.

- Investment properties decreased by **83%**, from **P587 million** as of December 31, 2018 to **P101 million** as of December 31, 2019, due mainly to the reclassification of certain parcels of land to real estate inventories due to change in use for the said assets.

- Other non-current assets increased by **49%**, from **P62 million** as of December 31, 2018 to **P93 million** as of December 31, 2019, due mainly to the increase in security deposit for the year.

The total liabilities of the Company increased by **54%**, from **P 12,305 million** as of December 31, 2018 to **P18,965 million** as of December 31, 2019, due to the following:

- Total Interest-bearing loans, including non-current, increased by **282%**, from **P1,997 million** as of December 31, 2018 to **P7,626 million** as of December 31, 2019, due mostly to interest-bearing loans obtained by the Company during the year.

- Raw land payable decreased by **11%** from **P1,582 million** as of December 31, 2018 to **P1,404 million** as of December 31, 2019 due to settlements made on the acquisition of land on account in line with the Company's expansion plans.

- Customers' deposits increased by **42%** from **P1,899 million** as of December 31, 2018 to **P2,695 million** as of December 31, 2019, due to an increase in sales reservation for the year.

- Lease liabilities including non-current portion increased by **100%** from **nil** as of December 31, 2018 to **P16 million** as of December 31, 2019, due to adoption of the PFRS 16 for the year.

  Income tax payable increased by **19%** from **P20 million** as of December 31, 2018 to **P23 million** as of December 31, 2019 due primarily to an increase income and tax adjustments made for the year.

- Deferred tax liabilities (net) increased by **14%,** from **P998 million** as of December 31, 2018 to **P1,134 million** as of December 31, 2019 due primarily to an increase in unrealized gross profit during the period.

- Reserve for perpetual care increased by **66%** from **P426 million** as of December 31, 2018 to **P710 million** as of December 31, 2019 due to the parallel increase in memorial lot sales on

account recorded for the period.

- Retirement benefit obligation increased from **P38million** as of December 31, 2018 to **P78 million** as December 31, 2019 due to an increase in the present value of the obligation as recorded for the period.

Total stockholder's equity increased by **42%** from **P6,079 million** as of December 31, 2018 to **P8,624 million** as of December 31, 2019, due to the following:

- An **104%** increase in retained earnings, from **P2,459 million** in December 31, 2018, to **P5,027 million** as of December 31, 2019, mainly due to the increase net income recorded for the year ended December 31, 2019.

- A **382%** decrease in revaluation reserves from **P6 million** as of December 31, 2018 to negative **P16 million** as of December 31, 2019 mainly due to the revaluation of post-employment defined benefit plan.

Considered as the top five key performance indicators of the Company for the period as shown below:

KEY PERFORMANCE INDICATORS		2019	2018
Liquidity:			
Current Ratio	Current Assets/Current Liability	2.02 :1	1.51 :1
Solvency:			
Debt-to-Equity Ratio	Total Debt/Total Equity	0.88 :1	0.33 :1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	3.20 :1	3.02 :1
Interest-rate-coverage:			
Interest-rate-coverage ratio	EBITDA/Finance Costs	12.61 : 1	20.30 : 1
Profitability:			
Return-on-equity	Net Income/Equity	29.77%	25.79%

Material Changes to the Company's Statement of Financial Position as of December 31, 2019 compared to December 31, 2018 (increase/decrease of 5% or more)

- Cash on-hand and in-banks increased by **P2,294 million** or **457%**, from **P501 million** as of December 31, 2018 to **P2,796 million** as of December 31, 2019, mainly due to loans availed by the Company during the period.

- Total contracts receivable and contract assets, including non-current, increased by **P4,480 million** or **55%** from **P8,152 million** as of December 31, 2018 to **P12,632 million** as of December 31, 2019 due to an increase in sales on account recorded over the period compared to previous year.

- Other receivables increased by **P1,266 million** or **127%** from **P996 million** as of December 31, 2018 to **P2,263 million** as of December 31, 2019 due primarily to an increase in receivables from contractors and brokers brought about by expansion recorded during the period.

- Real estate inventories increased by **P1,340 million** or **21%**, from **P6,445 million** as of December 31, 2018 to **P7,785 million** as of December 31, 2019 due to the expansion of existing Company projects and launches of new projects as well as reclassification from investment properties during the year.

- Other current assets increased by **P253 million** or **19%,** from **P1,301 million** as of December 31, 2018 to **P1,554 million** as of December 31, 2019, due mostly from purchased construction materials related to construction of residential houses as well as an increase in prepaid commissions about by higher sales during the year.

- Right of use assets-net increased by **100%,** from **nil** as of December 31, 2018 to **P16 million** as of December 31, 2019, due primarily to the adoption of PFRS 16 for the year.

- Investment properties decreased by **P487 million** or 83**%**, from **P587 million** as of December 31, 2018 to **P101 million** as of December 31, 2019, due mainly to reclassification of certain parcels of land to real estate inventories due to change in use for the said assets.

- Other non-current assets increased by **49%**, from **P62 million** as of December 31, 2018 to **P93 million** as of December 31, 2019, due mainly to the increase in security deposit for the year.

- Total Interest-bearing loans, including non-current, increased by **P5,629 million** or **282%**, from **P1,997 million** as of December 31, 2018 to **P7,626 million** as of December 31, 2019, due mostly to interest-bearing loans obtained by the Company during the period.

- Raw land payable decreased by **P178 million** or **11%** from **P1,582 million** as of December 31, 2018 to **P1,404 million** as of December 31, 2019 due to settlements made on the acquisition of land on account in line with the Company's expansion plans.

- Customers' deposits increased by **P795 million** or **42%** from **P1,899 million** as of December 31, 2018 to **P2,695 million** as of December 31, 2019, due to an increase in sales reservation for the year.

- Lease liabilities including non-current portion increased by **100%** from **nil** as of December 31, 2018 to **P16 million** as of December 31, 2019, due to adoption of the PFRS 16 for the year.

- Income tax payable increased by **P4 million** or **19%** from **P19 million** as of December 31, 2018 to **P23 million** as of December 31, 2019 due primarily to an increased income and tax adjustments made for the year.

- Deferred tax liabilities (net) increased by **P137 million** or **14%,** from **P998 million** as of December 31, 2018 to **P1,134 million** as of December 31, 2019 due primarily to an increase in unrealized gross profit during the period.

- Reserve for perpetual care increased by **P283 million** or **66%** from **P426 million** as of December 31, 2018 to **P710 million** as of December 31, 2019 due to the parallel increase in memorial lot sales on account recorded for the period.

- Retirement benefit obligation increased by **P40 million,** from **P38 million** as of December 31, 2018 to **P78 million** as December 31, 2019 due to an increase in the present value of the obligation as recorded for the period.

- Total stockholder's equity increased by **P2,545 million** or **42%,** from **P 6,079 million** as of December 31, 2018 to **P8,624 million** as of December 31, 2019. This change was primarily due to the **104%** increase in retained earnings from **P2,459 million** as of December 31, 2018 to **P5,027 million** as of December 31, 2019, and a **382%** decrease in revaluation reserves from **P6 million** as of December 31, 2018 to negative **P16 million** as of December 31, 2019

Material Changes to the Company's Statement of income for the year ending 2019 compared to year ending 2018 (increase/decrease of 5% or more)

- Real estate sales increased by **₱2,799 million**, from **₱5,655 million** for the year ended December 31, 2018 to **₱8,453 million** in the year ended December 31, 2019. The **49%** increase was due primarily to the increase in sales of memorial park lots and of residential units.

- Interest income on contract receivables increased by **₱13 million**, from **₱97 million** for the year ended December 31, 2018 to **₱110 million** for the year ended December 31, 2019. The **14%** increase was due mainly to the increase of bank financed sales compared to in-house financed transactions made during the period.

- Income from chapel services increased by **₱6 million**, or by **16%**, from **₱36 million** for the year ended December 31, 2018 to **₱42 million** for the year ended December 31, 2019 due to the increase in memorial and cremation services rendered during the period.

- Interment income increased by **₱6 million** or **18%,** from **₱33 million** for the year ended December 31, 2018 to **₱39 million** for the year ended December 31, 2019, due to an increase in the number of interment services rendered for the year.

- Cost of sales and services increased by **₱1,490 million** or **52%,** from **₱2,881 million** for the year ended December 31, 2018 to **₱4,372 million** in the year ended December 31, 2019, due to parallel increase in memorial park lot and residential lot sales made during the year.

- Other operating expenses increased by **₱218 million,** from **₱1,218 million** for the year ended December 31, 2018 to **₱1,436 million** in the year ended December 31, 2019. The **18%** increase was due primarily to increases in commissions due to higher sales, and in salaries and wages due to new projects launched during the year.

- Other income – net decreased by **P94 million or 122%** from an income of **P78 million** for the year-end 2018 to a loss of **(P16 million)** for the year-end 2019. This was due primarily to the increase in finance costs on the bank loans availed by the company.

- The Company's tax expense increased by **P21 million,** from **P232 million** for year-end 2018 to **P252 million** for year-end 2019. The **9%** increase was mainly attributable to the increase in deferred tax expense relating to origination and reversal of temporary differences recorded over the period.

- Net Profit grew by **P1,000 million,** from **P1,568 million** for year ended December 31, 2018 to **P2,568 million** for the year ended December 31, 2019. The **64%** increase was primarily due to the higher sales and revenues from operations of the company during the period.

There are no other material changes in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

Factors which may have material impact in Company's operations

Economic factors

The economic situation in the Philippines significantly affects the performance of the Company's business. For the residential products, the Company is sensitive to changes in domestic interest and inflation rates. Higher interest rates tend to discourage potential consumers as deferred payment schemes become more expensive for them to maintain. An inflationary environment will adversely affect the Company, as well as other memorial park developers, by increases in costs such as land acquisition, labor, and materials. Although the Company may pass on the additional costs to buyers, there is no assurance that this will not significantly affect the Company's sales.

Capital Expenditures

The table below sets out the Company's capital expenditures in 2019, 2020 and 2021.

	Expenditure
	(in ₱ millions)
2019 (actual)	4,188.10
2020 (actual)	1,911.80
2021 (actual)	2,798.67

**Consolidated amount of the parent and the subsidiary*

The Company's capital expenditures have, in the past, been financed by internally generated funds and long-term borrowings.

Components of the Company's capital expenditures for 2019, 2020 and 2021 are summarized below:

	For the years ended December 31,		
	2019	2020	2021
		(in ₱ millions)	
Land acquisition	852.70	378.11	263.30
Memorial park development	145.30	78.03	13.12
Memorial chapel construction	8.00		
Land development	953.00	616.47	781.18
Construction	2118.00	743.99	1,707.87
Property and equipment	111.10	95.20	59.2
Total	**4,188.10**	**1,911.80**	**2,798.67**

IV. NATURE AND SCOPE OF BUSINESS

Golden MV Holdings, Inc. (the "Company"), formerly Golden Bria Holdings, Inc., incorporated in November 1982, is one of Philippines' leading developers of memorial parks in the country in terms of land developed. Aside from the development and sale of memorial parks, the Company likewise develops, constructs and operates columbarium facilities. With the acquisition of Bria Homes, Inc. ("Bria"), the Company is now also engaged in mass housing business.

Bria Homes, Inc. is a corporation duly organized and existing under the laws of the Republic of the Philippines. The primary purpose of Bria is to acquire, own, use, improve, develop, subdivide, sell, mortgage, engage, lease, develop, and hold for investment or otherwise improve, manage, or dispose of real estate of all kinds including buildings, houses, apartments, and other structures of whatever kind. Bria is principally engaged in the mass housing business with housing projects located around the country.

Bria Homes, Inc. is the fastest growing mass housing developer in the Philippines. It caters to ordinary Filipinos who dream of having high quality and affordable homes. Bria established its national footprint by continuously growing and making quality projects. To date, Bria, has a total of 51 developments across some of the country's most progressive cities and municipalities.

In relation to its death care business, the Company has memorial parks located in major cities and municipalities across the country. The Company also offers columbaries within its memorial parks and a 20,000-vault columbarium located beneath the Sanctuario de San Ezekiel Moreno, a chapel constructed by the Company along C5 Road, Pulang Lupa, Las Piñas. The company has also expanded its business into Memorial Chapel Services in Las Pinas and in Angeles, Pampanga. These developments expanded the company's deathcare product offerings to funeral and cremation services, bringing it closer to becoming the country's first fully integrated death care service provider.

The Company offers memorial lots at varying lot sizes and price points within each of its existing memorial parks and within those memorial parks presently in development. The four basic lot packages are lawn lot; garden niche; family patio; and family estate. Purchasers of a family estate lot can elect to construct a mausoleum, the design and construction of which must conform to the Company's parameters as part of the terms of the purchase. The Company also provides, as an additional service and at additional cost to the client, construction and associated services for these mausoleums.

Other Disclosures

As of December 31, 2021 and 2020, there are commitments and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Group's consolidated financial statements.

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

V. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Market Information

Registrant's common shares are listed with the Philippine Stock Exchange. The Registrant was listed on June 29, 2016.

Quarter	2022		
	High	Low	Close
1st	685.00	540.00	685.00

Quarter	2021		
	High	Low	Close
1st	450.00	440.00	449.00
2nd	449.00	411.80	439.00
3rd	535.00	439.00	535.00
4th	540.00	522.00	540.00

Quarter	2020		
	High	Low	Close
1st	440.00	300.00	368.00
2nd	378.80	280.20	281.00
3rd	310.00	280.00	303.80
4th	455.00	303.00	441.00

Quarter	2019		
	High	Low	Close
1st	400.00	325.00	370.60
2nd	418.40	377.00	407.80
3rd	449.80	407.80	432.00
4th	440.00	410.00	436.00

The market capitalization of HVN as of June 15, 2022 based on the closing price of P674.00/share was approximately P434.1 billion.

There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Shareholders

There are approximately 14 holders of common equity security of the Company as of March 31, 2022 (based on the number of accounts registered with the Stock Transfer Agent). The following are the holders of the common securities of the Company:

	Name	No. of Shares	Percentage
1	FINE PROPERTIES, INC.	412,057,800	63.97%
2	CAMBRIDGE GROUP, INC. [2]	158,744,255	24.65%
3	PCD NOMINEE CORPORATION (FILIPINO)	70,112,160	10.88%
4	MARIBETH C. TOLENTINO[1]	2,835,000	0.00%
5	CAMILLE A. VILLAR[1]	333,700	0.05%

6	PCD NOMINEE CORPORATION (NON-FILIPINO)	22,332	0.01%
7	MYRA P. VILLANUEVA	6,600	0.00%
8	MYRNA P. VILLANUEVA	2,300	0.00%
9	MILAGROS P. VILLANUEVA	2,300	0.00%
10	MANUEL B. VILLAR[1]	1,000	0.00%
11	FRANCES ROSALIE T. COLOMA[1]	100	0.00%
12	RIZALITO J. ROSALES[1]	100	0.00%
13	ANA MARIE V. PAGSIBIGAN[1]	1	0.00%
14	GARTH F. CASTAÑEDA[1]	1	0.00%
	TOTAL OUTSTANDING ISSUED AND SUBSCRIBED (COMMON)	**644,117,649**	**100.00%**

[1] *lodged under PCD Nominee Corp.*

[2] *8,744,255 lodged under PCD Nominee Corp. (Filipino)*

Dividend Policy

Under the Revised Corporation Code, the Company's shareholders are entitled to receive a proportionate share in cash dividends that may be declared by the Board out of the surplus profits derived from operations. The same right exists with respect to a stock dividend declaration, the declaration of which is subject to the approval of shareholders representing at least two -thirds of the outstanding capital stock entitled to vote.

The amount of dividends to be declared will depend on the profits, investment requirements and capital expenditures at that time.

The Company has not defined a minimum percentage of net earnings to be distributed to its common shareholders. Dividends may be declared only from the Company's unrestricted retained earnings, except when, among others: (i) justified by definite corporate expansion, or (ii) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured, or (iii) when it can be clearly shown that the retention of earnings is necessary under special circumstances obtaining in the Company, its assets and operations, such as when there is a need for special reserves for probable contingencies.

Record Date

Pursuant to existing Philippine SEC rules, cash dividends declared by a company must have a record date not less than 10, nor more than 30 days from the date the cash dividends are declared. With respect to stock dividends, the record date is to be not less than 10 or more than 30 days from the date of shareholder approval, provided however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the Philippine SEC.

Dividends

The Company has not declared dividends in any form for the two most recent fiscal years and any subsequent interim period.

Recent Sale Of Unregistered Or Exempt Securities Including Recent Issuance Of Securities Constituting An Exempt Transaction

The Company has not issued or sold unregistered or exempt securities nor issued securities in an exempt transaction within the past three years.

Stock Options

None

VI. COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The Company's Board has adopted a Revised Manual on Corporate Governance on May 31, 2019. The Company's Revised Manual on Corporate Governance describes the terms and conditions by which the Company intends to conduct sound corporate governance practices that are consistent with the relevant laws and regulations of the Republic of the Philippines, and which seek to enhance business transparency and build shareholder value.

Ultimate responsibility and oversight of the Company's adherence to superior corporate governance practices rests with the Board of Directors. As a policy matter, the Board hold s monthly meeting s, at which any number of relevant corporate governance issues may be raised for discussion.

Practical oversight of the Company's corporate governance standards is exercised through the Board's Corporate Governance Committee.

The Company is committed to building a solid reputation for sound corporate governance practices, including a clear understanding by its Directors of the Company's strategic objectives, structures to ensure that such objectives are realized, systems to ensure the effective management of risks and the systems to ensure the Company's obligations are identified and discharged in all aspects of its business.

There are no known material deviations from the Company's Manual of Corporate Governance.

The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

PART III

SIGNATURES

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

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Las Piñas on 17 June 2022.

GOLDEN MV HOLDINGS, INC.

By:

ESTRELLITA S. TAN
Chief Financial Officer, Chief Information Officer,
Treasurer, Investor Relations Officer

Date: June 17, 2022

P&A Grant Thornton

FOR SEC FILING

Consolidated Financial Statements and
Independent Auditors' Report

Golden MV Holdings, Inc. and Subsidiaries

December 31, 2021, 2020 and 2019

Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd

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Report of Independent Auditors

The Board of Directors and Stockholders
Golden MV Holdings, Inc. and Subsidiaries
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties Inc.]
San Ezekiel, C5 Extension
Las Piñas City

Opinion

We have audited the consolidated financial statements of Golden MV Holdings, Inc. and subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021 and notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) and described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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.

Emphasis of Matter

We draw attention to Note 1 to the consolidated financial statements, which describes management's assessment of the continuing impact on the Group's consolidated financial statements of the business disruptions brought by the COVID-19 pandemic.

We also draw attention to Note 2 to the consolidated financial statements, which indicates that the consolidated financial statements have been prepared in accordance with PFRS, as modified by the financial reporting reliefs issued and approved by the SEC. The qualitative impact of the financial reporting reliefs on the consolidated financial statements are disclosed in Note 2 to the consolidated financial statements.

Our opinion is not modified in respect of these matters.

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.

(a) Revenue Recognition on Real Estate Sales and Determination of Related Costs

Description of the Matter

The Group's revenue recognition process, policies and procedures on real estate sales, which consists of sale of residential houses and lots, condominium units and memorial lots, are significant to our audit because these involve the application of significant judgment and estimation. In addition, these involve voluminous transactions and significant amounts as evidenced by the reported real estate sales and costs of real estate sales which amounted to P4.9 billion or 94.3% of consolidated Revenues and P2.4 billion or 67.5% of consolidated Costs and Expenses for the year ended December 31, 2021. Areas affected by revenue recognition, which requires significant judgments and estimates, include determining when a contract will qualify for revenue recognition, measuring the progress of the development of real estate projects, which defines the amount of revenue to be recognized and determining the amount of actual costs incurred as cost of real estate sales. An error in the application of judgments and estimates could cause a material misstatement in the consolidated financial statements.

The Group's policy for revenue recognition on real estate sales are more fully described in Note 2 to the consolidated financial statements. The significant judgments applied and estimates used by management related to revenue recognition are more fully described in Note 3 to the consolidated financial statements. The breakdown of real estate sales and costs of real estate sales are also disclosed in Notes 16 and 17, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

i) Residential Houses and Lots and Condominium Units

As disclosed in Notes 2 and 3 to the consolidated financial statements, the Group recognizes revenue from the real estate sale of residential houses and lots, and condominium units over time proportionate to the progress of the project development. The Group uses the input method in determining the percentage-of-completion after satisfying the gating criteria of PFRS 15, *Revenue from Contracts with Customers*, including establishing that collection of the total contract price is reasonably assured.

Our audit procedures to address the risk of material misstatement relating to revenue and costs recognition on real estate sale of residential houses and lots, and condominium units included, among others, the following:

- updating our understanding of the Group's revenue and cost recognition policy, revenue processes and controls over the recognition and measurement of revenues from real estate sale of residential house and lots, condominium units, and costs per project. In addressing the risks of material misstatements in revenue recognition, we have performed inspection of sample agreements for compliance with a set of criteria for revenue recognition and test of controls over contract agreements. We have also tested the reasonableness of management's judgment in determining the probability of collection of the consideration in a contract which involves a historical analysis of customer payment pattern and behaviour. We have also performed test of controls over recognition and allocation of revenues and costs per project;

- determining whether the parties to the contract have approved the contract in writing and that the significant terms and conditions of the real estate sale transaction were appropriately identified in the contract. Also, we have tested the risk, timing or amount of the future cash flows expected to change as a result of the identified contract; and, verified if the collection of the consideration is probable;

- reviewing the reasonableness of the stage of completion on selected real estate projects by analysing the cost incurred to date as a proportion of the total estimated and budgeted costs to confirm that real estate sales recognized properly reflects the percentage of completion of inventories;

- recalculating the percentage of collection of sales contract, on a sample basis, based on total accumulated principal payments as of the reporting date over contract price to determine if the Group established the buyers' commitment to complete their obligations over the sales contract;

- recomputing the revenues recognized for the year based on the percentage of completion calculated based on costs incurred as of date over total estimated contract cost. Our procedures also include tracing the revenues and costs recognized to the accounting records to ascertain that the amounts recorded agree with the supporting schedules;

- ascertaining the qualification of the project engineers who prepared the budgets and reviewing the actual performance based on estimation of budgeted costs of the completed projects; and,

- performing substantive analytical review procedures over revenues and costs such as, but not limited to, yearly and monthly analyses of real estate sale of house and lots and condominium units per project based on our expectations and cost incurred per project, which include corroborating evidence from other audit procedures, and verifying that the underlying data used in the analyses are complete.

ii) Memorial Lots

As disclosed in Notes 2 and 3 to the consolidated financial statements, the Group recognizes revenue at a point in time when development of memorial lots are substantially completed after satisfying the gating criteria of PFRS 15, including establishing that collection of the total contract price is reasonably assured.

Our audit procedures to address the risk of material misstatement relating to revenue and cost recognition of sales of memorial lots included, among others, the following:

- updating our understanding of the Group's revenue and cost recognition policy, revenue processes and controls over the recognition and measurement of revenues and costs from sales of memorial lots. In addressing the risks of material misstatements in revenue recognition, we have performed inspection of sample agreements for compliance with a set of criteria for revenue recognition and test of controls over contract agreements. We have also tested the reasonableness of management's judgment in determining the probability of collection of the consideration in a contract which involves a historical analysis of customer payment pattern and behaviour. We have also performed test of controls over recognition and allocation of revenues and costs per project;

- determining whether the parties to the contract have approved the contract in writing and that the significant terms and conditions of the sale of memorial lots transaction were appropriately identified in the contract. Also, we have tested that the risk, timing or amount of the future cash flows is expected to change as a result of the identified contract; and, if the collection of the consideration is probable;

- recalculating the percentage of collection per sales contract, on a sample basis, based on total accumulated principal payments as of the reporting date over contract price to determine if the Group established the buyers' commitment to complete their obligations over the sales contract; and,

- performing substantive analytical review procedures over revenues such as, but not limited to, yearly and monthly analyses of sales of memorial lots and cost per project based on our expectations, which include corroborating evidence from other audit procedures, and verifying that the underlying data used in the analyses are complete.

(b) Existence and Valuation of Real Estate Inventories

Description of the Matter

As of December 31, 2021, the Group's real estate inventories, which relates to significant number of projects located at the major areas throughout the country amounted to P7.3 billion. These include subdivision lots, houses, land development, memorial lots, condominium units and raw land. Real estate inventories are stated at the lower of cost and net realizable value, which is the estimated selling price less costs to complete and sell.

An assessment of the net realizable value of real estate inventories is carried out at each reporting date. It requires estimation of selling prices, which consider recent market prices and conditions, and costs to complete and sell, which are subject to a number of variables including the accuracy of designs, market conditions in respect of materials and subcontractor costs and construction issues. Accordingly, a change in the management estimation of selling prices and estimated cost to complete and sell could have a material impact on the carrying value of real estate inventories in the Group's financial statements.

Due to the voluminous transactions and the significance of management judgment and estimates involved, we have identified the risks relating to existence and valuation of real estate inventories as significant in our audit.

The Group's accounting policy relative to real estate inventories and the sources of estimation uncertainty on the net realizable value of real estate inventories are disclosed in Notes 2 and 3 to the consolidated financial statements. The analysis of the Group's real estate inventories is disclosed in Note 7 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures included, among others:

Existence

- performing ocular inspection of selected real estate projects near the reporting date to confirm the existence and current condition of such projects at the end of the reporting period; and,

- examining documents such as land titles, suppliers' and contractors' agreements, invoices, official or collection receipts and accomplishment billings, supporting the costs of real estate inventories capitalized, including the costs of acquired land, during the reporting period to corroborate with other audit procedures relating to existence assertion.

Valuation

- reviewing the reasonableness and appropriateness of the Group's calculation of the valuation of its real estate inventories at lower of cost and net realizable value; and,

- comparing the estimated selling prices, and costs to complete and sell, on a sample basis, against the contract prices of recently completed sales, and historical data related to restoration costs, commissions and other related expenses.

(c) Performing Significant Portion of Audit Remotely

Description of the Matter

The COVID-19 pandemic has prompted management and the audit team to have the audit conducted remotely. The current working arrangements are relevant and significant to our audit since it created an increased risk of material misstatement due to less in-person communication with the Group's management and personnel, and lack of access to the physical records and original documents. Given the changes in how the audit was performed, the audit necessitated exercising enhanced professional skepticism.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of performing the audit remotely included the following:

- considering the nature of the engagement and the engagement team's knowledge of the entity and its environment when determining whether it is possible to perform a significant portion, if not all of the engagement remotely;

- following the requirements of the PSA including providing proper supervision and review, even when working remotely;

- obtaining information through electronic means, which includes sending and receiving of confirmation electronically, obtaining calculations in electronic form to check the mathematical accuracy, scanning of hard-copy items for review and using real-time inspection technology such as video and screen-sharing;

- determining the reliability of audit evidence provided electronically using enhanced professional skepticism;

- performing inquiries through video call in order to judge body language and other cues and to have a more interactive audit engagement; and,

- examining critical hard copy documents (e.g., contracts, billing invoices, purchase invoices and official receipts) physically in response to the risk in revenues and costs, which is considered to be significant.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC, 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.

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

- 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, 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 auditors' report is James Joseph Benjamin J. Araullo.

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

CPA Reg. No. 0111202
TIN 233-090-319
PTR No. 8852325, January 3, 2022, Makati City
SEC Group A Accreditation
Partner - No. 1762-A (until Aug. 5, 2022)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-039-2021 (until Nov. 9, 2024)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

May 13, 2022

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
(Amounts in Philippine Pesos)

	Notes		2021		2020
A S S E T S					
CURRENT ASSETS					
Cash and cash equivalents	5	**P**	**1,924,323,431**	P	1,543,506,480
Contracts receivable	6		**7,111,124,194**		8,828,818,926
Contract assets	16		**4,364,475,607**		2,258,812,742
Due from related parties	20		**13,239,394**		10,384,667
Other receivables	6		**2,355,083,437**		2,226,206,685
Real estate inventories	7		**7,291,399,818**		7,555,584,828
Other current assets	8		**1,279,278,779**		1,099,331,341
Total Current Assets			**24,338,924,660**		23,522,645,669
NON-CURRENT ASSETS					
Contracts receivable	6		**2,076,316,490**		2,541,160,553
Property and equipment – net	9		**262,807,174**		296,162,600
Right-of-use assets – net	10		**33,603,348**		18,247,722
Investment properties	11		**75,761,379**		75,761,379
Other non-current assets	8		**38,412,636**		101,183,353
Total Non-current Assets			**2,486,901,027**		3,032,515,607
TOTAL ASSETS		**P**	**26,825,825,687**	P	26,555,161,276
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Interest-bearing loans	12	**P**	**2,966,634,143**	P	2,113,625,216
Trade and other payables	13		**2,146,630,918**		2,171,005,177
Rawland payable	13		**838,091,629**		1,316,499,113
Customers' deposits	14		**2,716,083,808**		2,952,122,196
Due to related parties	20		**952,080,398**		952,622,887
Lease liabilities	10		**9,729,309**		8,460,236
Income tax payable			**13,680,084**		19,500,159
Total Current Liabilities			**9,642,930,289**		9,533,834,984
NON-CURRENT LIABILITIES					
Interest-bearing loans	12		**3,858,680,740**		5,092,523,778
Lease liabilities	10		**25,350,595**		10,200,297
Deferred tax liabilities – net	19		**939,678,915**		1,152,670,128
Reserve for perpetual care	15		**872,382,648**		827,845,319
Retirement benefit obligation – net	21		**103,022,831**		98,244,264
Total Non-current Liabilities			**5,799,115,729**		7,181,483,786
Total Liabilities			**15,442,046,018**		16,715,318,770
EQUITY					
Capital stock	22		**644,117,649**		644,117,649
Additional paid-in capital			**2,970,208,753**		2,970,208,753
Revaluation reserves	22	**(**	**15,007,859)**	(	20,867,327)
Retained earnings			**7,784,461,126**		6,246,383,431
Net Equity			**11,383,779,669**		9,839,842,506
TOTAL LIABILITIES AND EQUITY		**P**	**26,825,825,687**	P	26,555,161,276

See Notes to Consolidated Financial Statements.

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
REVENUES	16			
Real estate sales		**P 4,876,785,596**	P 5,023,780,891	P 8,453,461,670
Interest income on contract receivables	6	**182,877,062**	125,702,812	110,446,969
Interment income		**75,446,574**	47,010,066	38,897,054
Income from chapel services		**34,235,904**	24,183,914	41,889,569
		5,169,345,136	5,220,677,683	8,644,695,262
COSTS AND EXPENSES	17			
Costs of sales and services		**2,399,879,811**	2,603,912,395	4,371,551,613
Other operating expenses		**1,155,647,570**	1,146,165,574	1,436,469,101
		3,555,527,381	3,750,077,969	5,808,020,714
OPERATING PROFIT		**1,613,817,755**	1,470,599,714	2,836,674,548
OTHER INCOME (CHARGES)				
Finance costs	10, 12, 21	**(301,273,945)**	(291,275,377)	(252,154,621)
Finance income	5	**3,944,717**	17,694,625	2,323,485
Others	18	**131,246,082**	150,004,039	233,098,093
		(166,083,146)	(123,576,713)	(16,733,043)
PROFIT BEFORE TAX		**1,447,734,609**	1,347,023,001	2,819,941,505
TAX INCOME (EXPENSE)	19	**90,343,086**	(127,170,084)	(252,329,601)
NET PROFIT		**1,538,077,695**	1,219,852,917	2,567,611,904
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of retirement benefit obligation	21	**9,799,988**	(6,408,003)	(31,710,358)
Tax income (expense)	19	**(3,940,520)**	1,922,401	9,513,107
		5,859,468	(4,485,602)	(22,197,251)
TOTAL COMPREHENSIVE INCOME		**P 1,543,937,163**	P 1,215,367,315	P 2,545,414,653
Basic and Diluted Earnings Per Share	23	**P 2.39**	P 1.89	P 3.99

See Notes to Consolidated Financial Statements.

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Capital Stock (see Note 22)	Additional Paid-in Capital (see Note 2)	Revaluation Reserves (see Note 22)	Retained Earnings (see Note 2)	Total Equity
Balance at January 1, 2021	P 644,117,649	P 2,970,208,753	(P 20,867,327)	P 6,246,383,431	P 9,839,842,506
Total comprehensive income for the year	-	-	5,859,468	1,538,077,695	1,543,937,163
Balance at December 31, 2021	**P 644,117,649**	**P 2,970,208,753**	**(P 15,007,859)**	**P 7,784,461,126**	**P 11,383,779,669**
Balance at January 1, 2020	P 644,117,649	P 2,970,208,753	(P 16,381,725)	P 5,026,530,514	P 8,624,475,191
Total comprehensive income (loss) for the year	-	-	(4,485,602)	1,219,852,917	1,215,367,315
Balance at December 31, 2020	P 644,117,649	P 2,970,208,753	(P 20,867,327)	P 6,246,383,431	P 9,839,842,506
Balance at January 1, 2019	P 644,117,649	P 2,970,208,753	P 5,815,526	P 2,458,918,610	P 6,079,060,538
Total comprehensive income (loss) for the year	-	-	(22,197,251)	2,567,611,904	2,545,414,653
Balance at December 31, 2019	P 644,117,649	P 2,970,208,753	(P 16,381,725)	P 5,026,530,514	P 8,624,475,191

See Notes to Consolidated Financial Statements.

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 1,447,734,609**	P 1,347,023,001	P 2,819,941,505
Adjustments for:				
Interest expense	10, 12, 21	**300,945,519**	290,301,911	249,175,605
Interest income	5, 6	**(186,821,779)**	(143,397,437)	(112,770,454)
Depreciation and amortization	17	**97,039,190**	116,219,155	117,441,368
Gain on lease cancellation	10	**(59,074)**	-	-
Operating profit before working capital changes		**1,658,838,465**	1,610,146,630	3,073,788,024
Increase in contracts receivable		**2,182,538,795**	(160,489,912)	(4,453,589,902)
Decrease (increase) in contract assets		**(2,105,662,865)**	(836,497,211)	(26,091,271)
Decrease (increase) in other receivables		**(128,876,752)**	36,480,029	(1,266,217,820)
Decrease (increase) in real estate inventories		**264,185,010**	254,115,859	(623,819,985)
Decrease (increase) in other assets		**(117,796,108)**	444,452,891	(284,134,746)
Decrease in trade and other payables		**(24,374,259)**	(2,154,820,282)	(66,430,112)
Decrease in rawland payable		**(478,407,484)**	(87,620,394)	(178,039,459)
Increase (decrease) in customers' deposits		**(236,038,388)**	257,444,224	795,311,422
Increase in retirement benefit obligation		**10,647,962**	13,806,791	11,152,036
Increase in reserve for perpetual care		**44,537,329**	118,031,469	280,584,344
Cash generated from (used in) operations		**1,069,591,705**	(504,949,906)	(2,737,487,469)
Interest received		**186,821,779**	143,397,437	112,770,454
Interest paid		**-**	-	1,852,620
Cash paid for income taxes		**(132,408,722)**	(110,642,889)	(102,551,249)
Net Cash From (Used in) Operating Activities		**1,124,004,762**	(472,195,358)	(2,725,415,644)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	9	**(59,211,439)**	(95,198,943)	(119,101,433)
Proceeds from disposals of property and equipment	9	**7,393,006**	39,340,927	-
Advances collected from related parties under common ownership	20	**(3,889,871)**	(6,098,101)	-
Advances granted to parent company	20	**1,035,144**	3,695,373	291,873
Acquisition of investment properties	11	**-**	-	(229,191,508)
Net Cash Used in Investing Activities		**(54,673,160)**	(58,260,744)	(348,001,068)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of interest-bearing loans	12, 29	**(4,465,415,525)**	(4,059,855,722)	(1,259,809,169)
Proceeds from availments of interest-bearing loans	12, 29	**4,084,581,414**	3,640,123,741	6,888,902,680
Interest paid on loan borrowings		**(294,805,149)**	(288,814,829)	(249,410,527)
Repayment of lease liabilities	29	**(12,332,902)**	(13,248,845)	(12,057,343)
Repayment of borrowings from related parties	20, 29	**(542,489)**	-	-
Additional borrowings from related parties	20, 29	**-**	70,027	-
Net Cash From (Used in) Financing Activities		**(688,514,651)**	(721,725,628)	5,367,625,641
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**380,816,951**	(1,252,181,730)	2,294,208,929
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**1,543,506,480**	2,795,688,210	501,479,281
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 1,924,323,431**	P 1,543,506,480	P 2,795,688,210

Supplemental Information on Non-cash Investing and Financing Activities:

1) In 2021, 2020 and 2019, the Group recognized right-of-use assets amounting to P28.0 million, P15.2 million and P1.3 million, respectively, and lease liabilities amounting to P27.3 million, P13.7 million and P1.2 million, respectively (see Notes 10 and 29).

2) In 2021, the Group derecognized right-of-use assets and related lease liabilities amounting to P0.7 million and P0.8 million, respectively, due to pre-termination of lease (see Note 10).

3) The Group transferred certain parcels of land previously classified as Investment Properties to Real Estate Inventories with carrying amount of P24.8 million and P783.9 million in 2020, and 2019, respectively. There was no similar transaction in 2021 (see Note 11).

4) In 2019, the Group transferred certain parcels of land previously classified as Real Estate Inventories to Investment Properties with carrying amount of P67.9 million. There was no similar transaction in 2021 and 2020 (see Note 11).

See Notes to Consolidated Financial Statements.

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Organization and Operations

Golden MV Holdings, Inc. (HVN or the Parent Company), formerly Golden Bria Holdings, Inc., was incorporated in the Philippines on November 16, 1982. The Parent Company's primary purpose is to invest, purchase or otherwise to acquire and own, hold, use, sell, assign, transfer, lease mortgage, exchange, develop, manage or otherwise dispose of real property, such as but not limited to memorial lots and chapels, or personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporations. As of December 31, 2021, the Parent Company is 63.97% effectively owned subsidiary of Fine Properties, Inc. (FPI), which is a holding company and the ultimate parent company of Golden MV Holdings, Inc and its subsidiaries (the Group).

In 2017, HVN acquired 99.99% ownership interest in Bria Homes, Inc. (BHI). Accordingly, BHI became a subsidiary of HVN. BHI is presently engaged in developing and selling real estate properties, particularly, residential houses, and lots. Both the Parent Company and BHI are entities under common control of FPI. Accordingly, the Parent Company accounted for the acquisition of BHI under pooling of interest method of accounting [see Note 2.4 (b)].

In 2020, HVN subscribed to 100% ownership interest in Golden Haven Memorial Park, Inc. (GHMPI), an entity which was newly incorporated on August 24, 2020. GHMPI is engaged in the development and selling of memorial lots, particularly those under the administration of HVN's memorial parks. As of December 31, 2021, GHMPI has not yet started commercial operations.

The registered office address of BHI, which is also its principal place of business is located at Lower Ground Floor, Bldg. B Evia Lifestyle Center, Daang Hari Rd., Almanza Dos, City of Las Pinas which is also its principal place of business. The registered office address of HVN and GHMPI, which is also their principal place of business, is located at San Ezekiel, C5 Extension, Las Piñas City. The registered office of FPI is located at 3rd Level, Starmall Las Piñas, CV. Starr Avenue, Pamplona, Las Piñas City.

On November 23, 2020, the Board of Directors (BOD) expressed its approval on the proposed amendment to change the Company's Corporate name from Golden Bria Holdings, Inc. to Golden MV Holdings, Inc. The required written assent from the Company's stockholders to approve the amendment was received on December 12, 2020. The said change was approved by the Philippine Securities and Exchange Commission (SEC) and Bureau of Internal Revenue (BIR) on January 27, 2021 and May 8, 2021, respectively.

The Parent Company's shares of stock are listed at the Philippine Stock Exchange (PSE) beginning June 29, 2016 (see Note 22).

1.2 Continuing Impact of COVID-19 Pandemic on the Group's Business

The COVID-19 pandemic started to become widespread in the Philippines in early March 2020 and its impact has been continuing until the date of the approval of these financial statements. The measures taken by the government to contain the spread of the virus have affected economic conditions and the Group's business operations.

In response to this matter, the Group placed necessary measures to mitigate adverse impact on revenues such as increased online presence through online advertising and promotion and other offline promotional activities to attract customers. The Group also strengthened its online facility to cater the needs of its customers and implemented online-based payment schemes to encourage customers to pay their billings on time. The Group also implemented new occupational safety and health standards to provide safe and sanitized environment for employees through strict observation of health and safety protocols, retrofitting of office premises and work spaces, implementation of work-at-home arrangements, and periodic testing of employees to minimize infection within the workplace and minimize disruptions in its operations.

As a result of the actions taken by management, the Group's operations showed the following results:

- Real estate sales decreased by 3% as compared to that of 2020 as the Group is still adversely affected by the disruptions brought by the quarantine restrictions on construction activities. Such amount is 42% lower as compared to amount of revenue generated in 2019.

- Income from chapel services increased by 42% during the year due to the ease on limitations imposed on chapel services and online advertisements which consequently resulted with increase in availments of chapel services during the year. Such amount is 18% lower as compared to amount earned in 2019.

- Interment income increased by 60% generally due to higher number of interment services across the country which was boosted by the related effects of COVID-19 pandemic. Such amount is 94% higher as compared to amount earned in 2019.

- Net profit in 2021 increased by 26% as a result of overall improvement in the Group's business operations. However, such amount is 40% lower as compared to amount earned in 2019.

Management will continue to take actions to continually improve the operations as the need arises. Based on the foregoing improvements, management projects that the Group would continue to report positive results of operations and would remain liquid to meet current obligations as they fall due. Accordingly, management has not determined material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern due to the effects of the pandemic.

1.3 Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2021 (including the comparative consolidated financial statements of the Group as of December 31, 2020 and for the years ended December 31, 2020 and 2019) were authorized for issue by the Parent Company's BOD on May 13, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The financial reporting reliefs availed of by the Group are disclosed in detail below and in the succeeding pages. PFRS are adopted by the Financial Reporting Standards Council (FRSC), from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic, for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed by the Group

In 2020, the Group has availed of several financial reporting reliefs granted by the SEC under Memorandum Circular (MC) No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*, and MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14* relating to several implementation issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry.

In 2021, MC No. 2021-08, *Amendment to SEC MC No. 2018-14, MC No. 2019-03, MC No. 2020-04, and MC No. 2020-34 to clarify transitory provision*, provides real estate companies the accounting policy option of applying either the full retrospective approach or the modified retrospective approach when they apply the provisions of the PIC pronouncement.

Following are the financial reporting reliefs availed of by the Group, including the descriptions of the implementation issues and their qualitative impacts to the financial statements. The Group opted to avail the reliefs until the end of the deferment period as provided under the relevant MC.

Relief	Description and Implication	Deferral period
PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*	PFRS 15 requires that, in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group do not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant. Had the Group elected not to defer this provision of the standard, it would have an impact in the financial statement as there would have been a significant financing component when there is a difference between the percentage of completion (POC) of the real estate project and the right to the consideration based on the payment schedule stated in the contract. The Group would have recognized an interest income when the POC of the real estate project is greater than the right to the consideration and interest expense when lesser. Both interest income and expense would be calculated using the effective interest rate method. This will impact the retained earnings, real estate sales, and profit or loss in 2021 and prior years.	Originally until December 31, 2020 under MC 4-2020; further deferred until December 31, 2023 under MC 34-2020

Relief	Description and Implication	Deferral period
PIC Q&A No. 2018-12-E, *Treatment of land in the determination of POC*	Land on which the real estate development will be constructed shall also be excluded in the assessment of POC. Had the Group elected not to defer this provision of the standard, it would have the following impact on the consolidated financial statements: • real estate sales and cost of real estate sales would have been higher; • total comprehensive income would have been higher; and, • retained earnings would have been higher.	Exclusion of land in the assessment of progress is deferred until December 31, 2023

(c) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents all items of income, expense and other comprehensive income or loss in a single consolidated statement of comprehensive income.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.

(d) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of Amended PFRS

(a) Effective in 2021 that are Relevant to the Group

The Group adopted for the first time the following pronouncements, which are mandatorily effective for annual periods beginning on or after January 1, 2021.

PFRS 9, PFRS 7 and PFRS 16 (Amendments) : Financial Instruments, Financial Instruments: Disclosures and Leases – Interest Rate Benchmark Reform Phase 2

PFRS 16 (Amendments) : Leases – COVID-19-Related Rent Concessions beyond June 30, 2021

Discussed below are the relevant information about these pronouncements.

(i) PFRS 9 (Amendments), *Financial Instruments*, PFRS 7 (Amendments), *Financial Instruments: Disclosures*, and PFRS 16 (Amendments), *Leases – Interest Rate Benchmark Reform Phase 2*. The amendments address issues that may affect financial reporting during the interest rate benchmark reform, including the effect of changes to contractual cash flows or hedging relationships resulting from the replacement of the London Interbank Offered Rate (LIBOR) with alternative benchmark rates. The Phase 2 amendments had no significant impact to the Group's consolidated financial statements as the Group did not have any financial instruments and leases subject to LIBOR.

(ii) PFRS 16 (Amendments), *Leases – COVID-19-Related Rent Concessions beyond June 30, 2021* (effective from April 1, 2021). The amendment extends for one year the use of practical expedient of not assessing whether rent concessions reducing payments up until June 30, 2022 occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The application of these amendments had no significant impact to the Group's consolidated financial statements as the Group did not receive any COVID-19-related rent concession from its lessors in 2021.

(b) Effective Subsequent to 2021 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2021, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's consolidated financial statements:

(i) PFRS 3 (Amendments), *Business Combination – Reference to Conceptual Framework* (effective from January 1, 2022)

(ii) PAS 16 (Amendments), *Property, Plant and Equipment – Proceeds Before Intended Use* (effective from January 1, 2022)

(iii) PAS 37 (Amendments), *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract* (effective from January 1, 2022)

(iv) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, the following amendments, which are effective from January 1, 2022, are relevant to the Group:

- PFRS 9 (Amendments), *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liabilities*
- Illustrative Examples Accompanying PFRS 16, *Leases – Lease Incentives*

(v) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2023)

(vi) PAS 1 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies* (effective from January 1, 2023)

(vii) PAS 8 (Amendments), *Accounting Estimates – Definition of Accounting Estimates* (effective from January 1, 2023)

(viii) PAS 12 (Amendments), *Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* (effective from January 1, 2023)

(ix) PFRS 10 (Amendments*), Consolidated Financial Statements,* and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely)

(c) PIC Q&As Relevant to the Real Estate Industry

Following are the PIC Q&As effective January 1, 2021 that are applicable to the Group, including the descriptions of their impact to the Group's consolidated financial statements:

(i) PIC Q&A No. 2018-12-E, *Treatment of uninstalled materials in the determination of POC* and PIC Q&A No. 2020-02, *Conclusion on PIC Q&A No. 2018-12-E: On the Treatment of Materials Delivered on Site but not yet Installed in Measuring the Progress of the Performance Obligation*

PIC Q&A No. 2018-12-E specifies, in recognizing revenue using a cost-based input method, the cost incurred for customized materials not yet installed are to be included in the measurement of progress to properly capture the efforts expended by the Group in completing its performance obligation. In the case of uninstalled materials delivered on-site that are not customized, such as steels and rebars, elevators and escalators, which are yet to be installed or attached to the main structure are excluded in the assessment of progress. Control over the uninstalled materials is not transferred to the customer upon delivery to the site but only when these are installed or when they are used in the construction. The application of the PIC Q&A had no significant financial impact to Group's consolidated financial statements since the Group does not include uninstalled materials that are not customized in determining measure of progress for revenue recognition.

(ii) PIC Q&A No. 2020-03, *Conclusion on PIC Q&A No. 2018-12-D: On the Accounting Treatment for the Difference when the POC is Ahead of the Buyer's Payment*

PIC Q&A No. 2020-03 concludes that the difference when the POC is ahead of the buyer's payment can be accounted for either as a contract asset or receivable. The PIC has concluded that both views are acceptable as long as this is consistently applied in transactions of the same nature. The Group intends to continue its current treatment of accounting for the difference when the POC is ahead of the buyer's payment as part of the Contract Assets account, hence, the adoption did not have a significant impact on the 2021 consolidated financial statements.

(iii) PIC Q&A No. 2020-05, *Accounting for Cancellation of Real Estate Sales (PIC Q&A No. 2020-05 will supersede PIC Q&A No. 2018-14)*

This PIC Q&A superseded PIC Q&A No. 2018-14. The interpretation provides three acceptable approaches in accounting for sales cancellation and repossession of the property as follows:

a. repossessed property is recognized at fair value less cost to repossess;
b. repossessed property is recognized at fair value plus repossession cost; or,
c. cancellation is accounted for as a modification of the contract.

The Group accounts for cancellation of sales contract as modification of contract (see Note 2.12); hence, the adoption of this PIC Q&A will not have significant impact on the Group's consolidated financial statements.

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries as disclosed in Note 1, after the elimination of material intercompany transactions. All intercompany assets and liabilities, equity, income, expense and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

Subsidiaries are entities (including structured entities) over which the Parent Company has control. The Parent Company controls an entity when it is exposed, 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 from the date the Parent Company obtains control.

The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, an entity is deconsolidated from the date that control ceases.

2.4 Business Combinations

Business combination is subject to either of the following relevant policies:

(a) Acquisition Method

This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any noncontrolling interest in the acquiree, either at fair value or at the noncontrolling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any noncontrolling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of identifiable net assets acquired is recognized as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly as gain in profit or loss.

(b) Pooling of Interest Method

Business combinations arising from transfers of interests in entities that are under the common control of the principal stockholder are accounted for under the pooling-of interests method. Under the pooling of interest, the assets and liabilities of the Group are reflected in the consolidated financial statements at carrying values. The difference between the net assets of the acquiree at business combination and the amount of consideration transferred by the acquirer is accounted for as equity reserve.

The consolidated statement of comprehensive income reflects the results of the Group, irrespective of when the combination took place and retained earnings reflects the accumulated earnings of the Group as if the entities had been combined at the beginning of the year. Any revaluation reserves under the equity of the Group, is carried over in the consolidated financial statement at its pooling of interest values determined as if the pooling of interest method has been applied since the entities were under common control.

No restatements are made to the financial information in the consolidated financial statements for periods prior to the business combination as allowed under PIC Q&A No. 2012-01, PFRS 3.2; *Application of the Pooling of Interests Method for Business Combinations of Entities under Common Control in Consolidated Financial Statements, (Amended by PIC Q&A No. 2015-01and PIC Q&A No. 2018-13)*; hence, the profit and loss of the acquiree is included in the consolidated financial statements for the full year, irrespective of when the combination took place. Also, no goodwill is recognized as a result of the business combination and any excess between the net assets of the acquiree and the consideration paid is accounted for as "equity reserves", which will eventually be closed to additional paid-in capital. Also, any pre-acquisition income and expenses of a subsidiary are no longer included in the consolidated financial statements.

2.5 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's BOD, its chief operating decision-maker. The BOD is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and service lines as disclosed in Note 4, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments,* are the same as those used in its consolidated financial statements, except depreciation and amortization that are not included in arriving at the operating profit of the operating segments.

In addition, corporate assets and liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

2.6 Financial Instruments

Financial assets are recognized when the Group becomes a party to the contractual terms of the financial instrument.

(a) Financial Assets

For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

(i) Classification and Measurement of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The financial assets category currently relevant to the Group is financial assets at amortized cost.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,

- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely for payment of principal and interest on the principal amount outstanding.

Except for trade receivables that do not contain a significant financing component and are measured at transactions price in accordance with PFRS 15, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit loss (ECL).

The Group's financial assets at amortized cost are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Contracts Receivables, Due from Related Parties, and Security deposits (presented under Other Assets) and Other Receivables (except Advances to contractors and others, and Advances to employees) which pertain to receivables from the buyers for documentary fees and other assistance related to processing and transfer of lots and units sold.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

For purposes of cash flows reporting and presentation, Cash and Cash Equivalents comprise accounts with original maturities of three months or less, including cash. These generally include cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in the consolidated statement of comprehensive income as part of Finance Income.

(ii) Impairment of Financial Assets

The Group assesses and recognizes an allowance for ECL on its financial assets measured at amortized cost. The measurement of the ECL involves consideration of broader range of information in assessing credit risk, including past events (e.g., historical credit loss experience) and current conditions, adjusted for forward-looking factors specific to the counterparty or debtor and the economic environment that affect the collectability of the future cash flows of the financial assets. ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial assets.

The Group assesses impairment of contract receivables on a collective basis based on shared credit risk characteristics of financial assets. The Group determines the ECL for contract receivables by applying a method that evaluates the credit quality of a portfolio of contract receivables and the cumulative loss rates by analyzing historical net charge-offs arising from sales cancellations for homogenous accounts that share the same origination period.

For other credit exposures, the Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information using a provision matrix. For due from related parties and deposits in banks, the Group applies the low credit risk simplification and measures the ECL on the financial assets based on a 12-month basis unless there has been a significant increase in credit risk since origination, in that case, the loss allowance will be based on the lifetime ECL. The ECL on due from related is based on the assumption that repayment of the advances or loans is demanded at the reporting date taking into consideration the historical default of the related parties. Management considers if the related party has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of likelihood of a counterparty defaulting at its financial obligation over a given time horizon, either over the next 12 months or the remaining lifetime of the obligation.

- *Loss given default* – It is an estimate of loss related to the amount that may not be recovered after the default occurs. It is based on the difference between the contractual cash flows due in accordance with the terms of the instrument and all the cash flows that the Group expects to receive. For contract receivables, this include cash flows from resale of repossessed real estate properties, net of direct costs of obtaining and selling the properties such as commission, refurbishment, and refund payment under Republic Act (R.A.) No. 6552, *Realty Installment Buyer Protection Act (Maceda Law).*

- *Exposure at default* – It represents the gross carrying amount of the financial instruments in the event of default which pertains to its amortized cost.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(iii) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(b) Financial Liabilities

Financial liabilities, which include Interest-bearing Loans, Trade and Other Payables except tax-related payables, Rawland Payable, Reserve for Perpetual Care and Due to Related Parties, are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss under Finance Costs in the consolidated statement of comprehensive income.

Interest-bearing loans and borrowings, which are recognized at proceeds received, net of direct issue costs, are raised for support of long-term funding of operations. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

(c) Offsetting Financial Instruments

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration.

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the consolidated statement of financial position when the Group currently has legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

For financial assets and liabilities [i.e., advances to/from perpetual care fund (PCF)] subject to enforceable master netting agreements or similar arrangements, each agreement between the Group and its counterparty allows for net settlement of the relevant financial assets and financial liabilities when both to elect on a net basis. In the absence of such election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

2.7 Inventories

a) Real Estate Inventories

Real estate inventories include raw land, residential house and lots for sale, condominium units and property development costs. At the end of the reporting period, real estate inventories are valued at the lower of cost and net realizable value. Cost includes acquisition costs of the land plus the costs incurred for its development, improvement and construction, including capitalized borrowing costs (see Note 2.16). All costs relating to the real estate property sold are recognized as expense as the work to which they relate is performed.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Real estate inventories for sale are written down to their net realizable values when such accounts are less than their carrying values.

b) Construction Materials

Construction materials (presented as part of Other Current Assets) pertains to cost of uninstalled and unused construction and development materials at the end of the reporting period. It is recognized at purchase price and is subsequently recognized as part of real estate inventories when installed or used during construction and development of real estate projects.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

Repossessed inventories arising from sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or Contract Asset to be derecognized and the cost of the repossessed property is recognized in profit or loss.

2.8 Other Current Assets and Advances to Contractors

Other current assets and Advances to contractors (presented as part of other receivables in the consolidated statement of financial position) are recognized in the consolidated financial statements when it is probable that the future economic benefits will flow to the Group and the asset has a cost or value that can be measured reliably.

Advances to contractors pertain to advance payments made by the Group for construction of real estate inventories, which are subsequently amortized as the performance obligation is performed. In accordance with *PIC Q&A No. 2018-15: PAS 1- Classification of Advances to Contractors in the Nature of Prepayments: Current vs. Non-current*, this has been classified under Current Assets section of the consolidated statement of financial position.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Group beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as non-current assets.

2.9 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized while expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization is computed on the straight-line basis over the estimated useful lives of the assets starting on the month following the date of acquisition or completion of the assets.

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

Chapel and office building	15 years
Service vehicle	5 years
Service equipment	3-5 years
Park Maintenance tools and equipment	3-5 years
System development cost	3-5 years
Park and office furniture, fixtures and equipment	2-5 years

Construction in progress represents properties under construction and is stated at cost. This includes costs of construction, applicable borrowing costs (see Note 2.16) and other direct costs. The account is not depreciated until such time that the assets are completed and available for use.

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.14).

The residual values, estimated useful lives and method of depreciation of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

2.10 Investment Properties

Investment properties are parcels of land held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less any impairment in value (see Note 2.14).

Transfers from other accounts (such as Memorial lots and Rawland) are made to investment property when and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers from investment property are made when, and only when, there is a change in use, evidenced by commencement of the owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent measurement is its carrying value at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the disposal of investment property is recognized in profit or loss in the period of disposal.

2.11 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.12 Revenue and Expense Recognition

Revenue comprises revenue from real estate sale and rendering of interment and chapel services measured by reference to the fair value of consideration received or receivable by the Group for goods sold and services rendered, excluding value-added tax (VAT) and trade discounts.

To determine whether to recognize revenue, the Group follows a five-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligation;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and,
5. Recognizing revenue when/as performance obligations are satisfied.

For Step 1 to be achieved, the following five gating criteria must be present:

a. the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
b. each party's rights regarding the goods or services to be transferred or performed can be identified;
c. the payment terms for the goods or services to be transferred or performed can be identified;
d. the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and,
e. collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Group satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control over the goods or services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied. The Group uses the practical expedient in PFRS 15 with respect to non-disclosure of the aggregate amount of the transaction price allocated to unsatisfied or partially satisfied performance obligations as of the end of the reporting period and the explanation of when such amount will be recognized.

The Group develops real properties such as residential house and lot, condominium units and memorial lots. The Group often enters into contracts to sell real properties as they are being developed. The Group also provides interment and chapel services inside its memorial parks. The significant judgment used in determining the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for on the year of forfeiture. Any gain or loss on cancellation is charged to profit or loss. The Group accounts for cancellation of sales contract as modification of contract accordingly, previously recognized revenues and related costs are reversed at the time of cancellation [see Note 2.2(c)(iii)].

In addition, the specific recognition criteria presented below must also be met before revenue is recognized [significant judgments in determining the timing of satisfaction of the following performance obligations are disclosed in Note 3.1(b)]:

(a) *Real estate sales on pre-completed residential houses and lots* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development.

(b) *Real estate sales on completed residential house and lots* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer.

(c) *Real estate sales on memorial lots* – Revenue from the Group's sale of memorial lots, which are substantially completed and ready for use, is recognized as the control transfers at the point in time with the customer.

(d) *Rendering of services* – income from interment and chapel services is recognized at a point in time when control over the services transfers to the customer.

Incremental costs of obtaining a contract to sell real estate property to customers are recognized as an asset and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. Other costs and expenses are recognized in profit or loss upon utilization of services or receipt of goods or at the date they are incurred. Finance costs are reported on an accrual basis except capitalized borrowing costs (see Note 2.16).

Contract assets pertain to rights to consideration in exchange for goods or services that the Group has transferred to a customer that is conditioned on something other than passage of time. Under its contracts with customers, the Group will receive an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract Assets in the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets.

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities in the consolidated statement of financial position. A contract liability is the Groups obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

In addition, real estate sales are recognized only when certain collection threshold was met over which the Group determines that collection of total contract price is reasonably assured. The Group uses historical payment pattern of customers in establishing a percentage of collection threshold.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sales, consideration received from customers are recognized as Customers' Deposits in the consolidated statement of financial position. Customers' deposit is recognized at the amounts received from customers and will be subsequently applied against the contract receivables when the related real estate sales is recognized.

2.13 Leases – Group as Lessee

For any new contracts entered into, the Group considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability in the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist (see Note 2.14).

On the other hand, the Group measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable, if any, variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the consolidated statement of financial position, right-of-use assets and lease liabilities have been presented separately from property and equipment and other liabilities, respectively.

2.14 Impairment of Non-financial Assets

The Group's property and equipment, investment properties, right-of-use assets and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

2.15 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan, defined contribution plan and other employee benefits which are recognized as follows:

(a) Post-employment Defined Benefit Plan

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group, even if plan assets for funding the defined benefit plan have been acquired. The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory and administered by a trustee.

The liability recognized in the consolidated statement of financial position for a defined benefit plan is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows for expected benefit payments using a discount rate derived from the interest rates of a zero coupon government bonds, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability. The interest rates are based from the reference rates published by Bloomberg using its valuation technology, Bloomberg Valuation (BVAL). BVAL provide evaluated prices that are based on market observations from contributed sources.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in net interest) are reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, unless there is a plan amendment, curtailment or settlement during the reporting period. The calculation also takes into account any changes in the net defined benefit liability or asset during the period as a result of contributions to the plan or benefit payments. Net interest is reported as part of Finance Income or Finance Costs in the consolidated statement of comprehensive income.

Past-service costs are recognized immediately in profit or loss in the period of a plan amendment or curtailment.

(b) Post-employment Defined Contribution Plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity (e.g. Social Security System). The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities or assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(c) 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. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided.

(d) Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognizes costs for a restructuring that is within the scope of PAS 37, and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

(e) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of each reporting period. They are included in Trade and Other Payables account in the consolidated statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.16 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset.

The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.17 Income Taxes

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method, on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense 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.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.18 Equity

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits. Also included is the difference between the consideration for the acquisition and the net assets of BHI under the pooling of interest method.

Revaluation reserves comprise gains and losses arising from remeasurements of post-employment defined benefit plan.

Retained earnings represent all current and prior period results of operations as reported in the consolidated statement of comprehensive income, reduced by the amount of dividends declared, if any.

2.19 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the entities in the Group and their related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; if any, (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and, (d) the Group's funded post-employment plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions of Publicly-listed Companies*, transactions amounting to 10% or more of the total consolidated assets based on its latest consolidated financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds vote of the Group's board of directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Group's consolidated total assets based on the latest consolidated financial statements, the same board approval would be required for the transactions that meet and exceeds the materiality threshold covering the same related party.

2.20 Earnings Per Share

Basic earnings per share (EPS) is determined by dividing the net profit for the period attributable to common shareholders by the weighted average number of common shares issued and outstanding during the year (see Note 23).

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of potential dilutive shares, if there are any (see Note 23).

2.21 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the judgments as presented in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) *Determining Existence of a Contract with Customer*

In a sale of real estate properties, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Group assesses the probability that the Group 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, the Group considers the significance of the customer's downpayment in relation to the total contract price.

Collectability is also assessed by considering factors such as past history with the customer 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.

(b) *Evaluation of the Timing of Satisfaction of Performance Obligations*

(i) *Real Estate Sales*

The Group exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Group considers the following:

- any asset created or enhanced as the Group performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Group's enforceable right for payment for performance completed to date.

The Group's performance obligation are satisfied as follows:

- *Residential condominium units and houses and lots* – Management determines that revenues from sale of pre-completed residential condominium units and houses and lots are satisfied over time, while completed real estate properties is satisfied at a point in time, since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments.

- *Memorial lots* – Management determines that its revenue from sale of memorial lots, which are substantially completed and ready for use, shall be recognized at a point in time when the control of goods have passed to the customer, i.e., upon issuance of purchase agreement (PA) to the customer.

(ii) Interment and Cremation Services

The Group determines that revenue from interment and cremation services shall be recognized at a point in time based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided.

(c) Determination of Collection Threshold for Revenue Recognition

The Group uses judgement in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Group uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Group determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price.

(d) Determination of ECL on Contract and Other Receivables, Contract Assets, Due from Related Parties and Security Deposits

The Group uses a provision matrix to calculate ECL for contract and other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Group's contract and other receivables are disclosed in Note 25.2.

In relation to advances to related parties, PFRS 9 notes that the maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Group's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Group cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

Based on the relevant facts and circumstances existing at the reporting date, management has assessed that all strategies indicate that the Group can fully recover the outstanding balance of its receivables, thus, no ECL is required to be recognized.

(e) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For office leases, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Group included the renewal period as part of the lease term for office leases due to the significance of these assets to its operations. These leases have a non-cancellable lease period (i.e., 4 to 10 years) and there will be a significant negative effect on production if a replacement is not readily available. However, the renewal options for leases of transportation equipment were not included as part of the lease term because the Group has historically exercises its option to buy these transportation equipment at the end of the lease term.

(f) Distinction Among Investment Properties, Owner-managed Properties and Real Estate Inventories

The Group classifies its acquired properties as Property and Equipment if used in operations and administrative purposes, as Investment Properties if the Group intends to hold the properties for capital appreciation or rental and as Real Estate Inventories if the Group intends to develop the properties for sale.

(g) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.11 and relevant disclosures are presented in Note 24.

3.2 Key Sources of Estimation Uncertainty

Presented in the succeeding pages are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(a) Revenue Recognition for Performance Obligations Satisfied Over Time

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(b) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 25.2.

(c) Determination of Net Realizable Value of Real Estate Inventories

In determining the net realizable value of real estate inventories, management takes into account the most reliable evidence available at the time the estimates are made. Management determined that the carrying values of its real estate inventories are lower than their net realizable values based on the present market rates. Accordingly, management did not recognize any valuation allowance on these assets as of December 31, 2021 and 2020.

(d) Estimation of Useful Lives of Property and Equipment and Right-of-use Assets

The Group estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use 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 assets.

The carrying amounts of property and equipment and right-of-use assets are analyzed in Notes 9 and 10.1, respectively. Based on management's assessment as at December 31, 2021 and 2020, there is no change in the estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(e) Fair Value Measurement of Investment Property

The Group's investment property composed of land are carried at cost at the end of the reporting period. In addition, the accounting standards require the disclosure of the fair value of the investment properties. In determining the fair value of these assets, the Group engages the services of professional and independent appraiser applying the relevant valuation methodologies as discussed in Note 27.3.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

(f) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount 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 asset to be utilized. Management assessed that the deferred tax assets (offset against deferred tax liabilities) recognized as at December 31, 2021 and 2020 will be fully utilized in the coming years (see Note 19).

(g) Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.14). Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

In 2021, 2020 and 2019, no impairment losses were required to be recognized on property and equipment, investment properties, right-of-use assets and other non-financial assets (see Notes 8, 9, 10 and 11).

(h) Valuation of Post-employment DBO

The determination of the Group's obligation and cost of post-employment defined benefit plan is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 2.15 and include, among others, discount rates and salary increase rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 21.2.

4. SEGMENT REPORTING

4.1 Business Segments

The Group's operating businesses are organized and managed separately according to the nature of products and services provided. In identifying its reportable operating segments, management generally follows the Group's two main revenue sources, which represent the products and services provided by the Group, namely Residential Projects and Deathcare.

(a) *Residential* – this segment pertains to the housing market segment of the Group. It caters on the development and sale of residential house and lots, subdivision lots, and condominium units.

(b) *Deathcare* – the segment pertains to sale of memorial lots, interment income, and income from chapel services.

4.2 Analysis of Segment Information

Segment information is analyzed as follows for the years ended December 31, 2021, 2020 and 2019.

	Residential	Deathcare	Total
2021			
Revenues from external customers	P 4,160,588,663	P 825,879,411	P 4,986,468,074
Interest revenue	121,832,222	61,044,840	182,877,062
Cost of sales and services	(2,038,688,445)	(361,191,366)	(2,399,879,811)
Gross profit	2,243,732,440	525,732,885	2,769,465,325
Other operating expenses	785,306,167	370,341,403	1,155,647,570
Finance cost	297,758,827	3,515,118	301,273,945
Depreciation and amortization	(39,292,846)	(57,746,344)	(97,039,190)
	1,043,772,148	316,110,177	1,359,882,325
Segment profit before tax and depreciation and amortization	**P 1,199,960,292**	**P 209,622,708**	**P 1,409,583,000**
Segment Assets	**P 21,725,052,013**	**P 5,011,772,901**	**P 26,736,824,914**
Segment Liabilities	**P 11,763,729,197**	**P 1,772,877,424**	**P 13,536,606,621**
2020			
Revenues from external customers	P 4,202,614,811	P 892,360,060	P 5,094,974,871
Interest revenue	72,864,790	52,838,022	125,702,812
Cost of sales and services	(2,207,871,136)	(396,041,259)	(2,603,912,395)
Gross profit	2,067,608,465	549,156,823	2,616,765,288
Other operating expenses	769,576,077	376,589,497	1,146,165,574
Finance cost	279,470,124	11,805,253	291,275,377
Depreciation and amortization	(55,723,573)	(60,495,582)	(116,219,155)
	993,322,628	327,899,168	1,321,221,796
Segment profit before tax and depreciation and amortization	P 1,074,285,837	P 221,257,655	P 1,295,543,492
Segment Assets	P 21,319,622,050	P 5,139,393,180	P 26,469,015,230
Segment Liabilities	P 12,737,660,891	P 1,852,864,705	P 14,590,525,596

	Residential	Deathcare	Total
2019			
Revenues	P 7,115,426,602	P 1,418,821,691	P 8,534,248,293
Interest revenue	49,348,476	61,098,493	110,446,969
Cost of sales and services	(3,763,180,114)	(608,371,499)	(4,371,551,613)
Gross profit	3,401,594,964	871,548,685	4,273,143,649
Other operating expenses	970,470,244	465,998,857	1,436,469,101
Finance cost	209,883,118	42,271,503	252,154,621
Depreciation and amortization	(63,486,583)	(53,954,785)	(117,441,368)
	1,116,866,779	454,315,575	1,571,182,354
Segment profit before tax and depreciation and amortization	P 2,284,728,185	P 417,233,110	P 2,701,961,295
Segment Assets	P 22,541,537,683	P 4,939,514,951	P 27,481,052,634
Segment Liabilities	P 14,584,541,677	P 2,270,507,088	P 16,855,048,765

The results of operations from the two segments are used by management to analyze the Group's operation and to allow them to control and study the costs and expenses. It is also a management indicator on how to improve the Group's operation. Expenses are allocated through direct association of costs and expenses to operating segments.

4.3 Reconciliation

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

	2021	2020	2019
Segment profit before tax and depreciation and amortization	**P 1,409,583,000**	P 1,295,543,492	P 2,701,961,295
Depreciation and amortization	**(97,039,190)**	(116,219,155)	(117,441,368)
	1,312,543,810	1,179,324,337	2,584,519,927
Other Income			
Finance income	**3,944,717**	17,694,625	2,323,485
Others	**131,246,082**	150,004,039	233,098,093
	135,190,799	167,698,664	235,421,578
Profit before tax	**P 1,447,734,609**	P 1,347,023,001	P 2,819,941,505
Assets:			
Total segment assets	**P 26,736,824,914**	P 26,469,015,230	
Due from related parties	**13,239,394**	10,384,667	
Investment properties	**75,761,379**	75,761,379	
Total assets as reported in consolidated statements of financial position	**P 26,825,825,687**	P 26,555,161,276	
Liabilities:			
Total segment liabilities	**P 13,536,606,621**	P 14,590,525,596	
Due to related parties	**952,080,398**	952,622,887	
Income tax payable	**13,680,084**	19,500,159	
Deferred tax liabilities	**939,678,915**	1,152,670,128	
Total liabilities as reported in consolidated statements of financial position	**P 15,442,046,018**	P 16,715,318,770	

4.4 Disaggregation of Revenue from Contract with Customers and Other Counterparties

When the Group prepares its investor presentations and when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented in Notes 4.1 and 4.2.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's Executive Committee can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15, which is to disaggregate revenue from contracts with customers and other counterparties and disclosed herein as additional information) into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. A summary of additional disaggregation from the segment revenues and other unallocated income are shown in the Note 16.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31 follows:

	2021	2020
Cash on hand	**P 21,928,974**	P 29,708,759
Cash in banks	**1,696,108,844**	1,308,475,721
Short-term placements	**206,285,613**	205,322,000
	P 1,924,323,431	P 1,543,506,480

Cash on hand comprises of revolving fund, commission fund and petty cash fund intended for the general use of the Group.

Cash in banks generally earn interest at rates based on daily bank deposit rates. In 2021 and 2020, the Group invested in short-term placements which are made for varying periods from 15 to 30 days and earn effective interest ranging from 0.63% to 1.25% and 1.15% to 4.5% in 2021 and 2020, respectively. The related interest income is presented as part of Finance Income under Other Income (Charges) section in the consolidated statements of comprehensive income.

6. CONTRACTS AND OTHER RECEIVABLES

6.1 Contracts Receivables

This account is composed of the following:

	2021	2020
Current	**P 7,111,124,194**	P 8,828,818,926
Non-current	**2,076,316,490**	2,541,160,553
	P 9,187,440,684	P11,369,979,479

Contracts receivables represent receivables from sale of residential houses and lots, subdivision lots, memorial lots, and condominium units, which are normally collectible within one to five years. Contracts receivables have an annual effective interest rate of 4.5% to 12.0% in 2021, 2020 and 2019. Interest income related to contracts receivables amounts to P182.9 million, P125.7 million and P110.4 million in 2021, 2020 and 2019, respectively, and are reported under Revenues in the consolidated statements of comprehensive income.

The Group's contracts receivables are effectively secured by the real estate properties sold to the buyers considering that the title over the rights in the real estate properties will only be transferred to the buyers upon full payment.

Included in the contracts receivables are receivables obtained by way of deed of assignment from Household Development Corporation (HDC), a related party under common ownership. In consideration of the assignment, BHI shall pay HDC a cash consideration totaling P274.5 million. As of December 31, 2020, the unpaid portion of the cash consideration amounting to P62.1 million is presented as part of Trade payables under Trade and Other Payables account in the 2020 consolidated statement of financial position (see Note 13.1). The consideration was fully paid in 2021.

In 2021 and 2020, certain receivables amounting to P3,540.0 million and P3,691.4 million were used as collateral security against interest-bearing loans. The receivables assigned as collaterals are all current and will mature within 12 months from the end of the reporting period and free of lien and non-delinquent accounts, with interest rates ranging from 6.0% to 8.0% in both 2021 and 2020. (see Note 12).

6.2 Other Receivables

The composition of this account as of December 31 is shown below.

	2021	2020
Advances to contractors and others	**P 2,225,106,556**	P 2,106,620,563
Advances to employees	**86,978,213**	80,806,494
Others	**42,998,668**	38,779,628
	P 2,355,083,437	P 2,226,206,685

Advances to contractors and others mainly represent advances to contractors or suppliers as advance payments for purchase of construction materials, supplies and construction services. This also include excess of advances over the remaining liability related to construction development.

Advances to employees represent cash advances and noninterest-bearing short-term loans granted to the Group's employees, which are collected through liquidation and salary deduction.

Others mainly pertain to receivables from the buyers for documentary fees and other assistance related to processing and transfer of lots and units sold.

7. REAL ESTATE INVENTORIES

Details of real estate inventories, which are stated at cost and is lower than NRV, are shown below.

	2021	2020
Raw land	**P3,820,209,089**	P 4,066,121,000
Residential houses and lots for sale	**1,435,942,992**	1,543,325,445
Memorial lots for sale	**1,428,535,368**	1,341,465,133
Property development costs	**459,948,494**	451,098,889
Condominium units for sale	**146,763,875**	153,574,361
	P7,291,399,818	P 7,555,584,828

Raw land pertains to the cost of several parcels of land acquired by the Group to be developed and other costs incurred to effect the transfer of the title of the properties to the Group.

Residential houses and lots for sale represent houses and lots in subdivision projects for which the Group has already been granted the license to sell by the Housing and Land Use Regulatory Board of the Philippines. Residential houses include units that are ready for occupancy and units under construction.

Memorial lots for sale consist of acquisition costs of the land, construction and development costs, and other necessary costs incurred in bringing the memorial lots ready for sale.

The property development costs represent the accumulated costs incurred in developing the real estate properties for sale. Costs incurred comprise of actual costs of land, construction and related engineering, architectural and other consultancy fees related to the development of residential projects.

Condominium units for sale pertain to the accumulated land costs, construction services and other development costs incurred in developing the Group's condominium projects.

Certain parcels of land previously classified as Investment Properties, which amounted to P24.8 million in 2020 (nil in 2021) were transferred to Real Estate Inventories due to change in use for the said assets. Real Estate Inventories sold amounting to P2,361.0 million, P2,575.9 million and P4,339.1 million consists of cost of land and construction development cost in 2021, 2020 and 2019, respectively (see Note 17.1).

8. OTHER ASSETS

This account consists of the following as of December 31:

	Notes	2021	2020
Current:			
Construction materials		**P 871,395,564**	P 714,872,129
Prepaid commission	16.3	**210,390,815**	216,723,048
Prepaid expenses		**121,764,212**	114,302,958
Creditable withholding taxes		**65,139,042**	43,059,805
Security deposits	10.5	**6,347,131**	6,161,818
Deferred input VAT		**2,944,724**	2,875,775
Other assets		**1,297,291**	1,335,808
		1,279,278,779	1,099,331,341
Non-current:			
Security deposits	10.5	**25,112,636**	96,183,353
Other assets		**13,300,000**	5,000,000
		38,412,636	101,183,353
		P 1,317,691,415	P1,200,514,694

Construction materials pertain to aluminum forms and various materials to be used in the construction of residential houses.

Deferred input VAT pertains to the unamortized portion of input VAT from purchases of capital goods which are subject to amortization.

9. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2021 and 2020 are shown below.

	Leasehold Improvements	Service Vehicle	Service Equipment	Maintenance Tools and Equipment	Park Office Furniture Fixtures and Equipment	Chapel and System Development Cost	Chapel and Office Building	Total
December 31, 2021								
Cost	P 59,103,781	P 73,163,731	P 167,557,579	P 41,348,374	P 190,420,320	P 24,348,579	P 208,838,042	P 764,780,406
Accumulated depreciation and amortization	(44,477,276)	(61,436,163)	(127,916,604)	(34,352,976)	(152,629,456)	(13,761,230)	(67,399,527)	(501,973,232)
Net carrying amount	**P 14,626,505**	**P 11,727,568**	**P 39,640,975**	**P 6,995,398**	**P 37,790,864**	**P 10,587,349**	**P 141,438,515**	**P 262,807,174**
December 31, 2020								
Cost	P 49,769,665	P 70,875,176	P 161,067,097	P 37,663,676	P 169,595,712	P 19,697,690	P 206,071,515	P 714,740,531
Accumulated depreciation and amortization	(36,324,197)	(53,507,206)	(102,573,103)	(30,618,706)	(133,643,932)	(10,078,341)	(51,832,446)	(418,577,931)
Net carrying amount	P 13,445,468	P 17,367,970	P 58,493,994	P 7,044,970	P 35,951,780	P 9,619,349	P 154,239,069	P 296,162,600
January 1, 2020								
Cost	P 42,804,671	P 70,962,113	P 138,372,024	P 33,528,808	P 149,909,959	P 18,809,564	P 204,591,312	P 658,969,451
Accumulated depreciation and amortization	(28,899,292)	(44,458,301)	(72,065,311)	(26,700,658)	(100,643,053)	(6,518,050)	(36,421,012)	(315,705,677)
Net carrying amount	P 13,905,379	P 26,503,812	P 66,306,713	P 6,828,150	P 49,257,906	P 12,291,514	P 168,170,300	P 343,263,774

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2021 and 2020 are as follows:

	Leasehold Improvements	Service Vehicle	Service Equipment	Park Maintenance Tools and Equipment	Chapel and Office Furniture Fixtures and Equipment	System Development Cost	Chapel and Office Building	Total
Balance at January 1, 2021, net of accumulated depreciation and amortization	P 13,445,468	P 17,367,970	P 58,493,994	P 7,044,970	P 35,951,780	P 9,619,349	P 154,239,069	P 296,162,600
Additions	9,277,680	2,288,555	10,991,125	3,684,699	25,551,968	4,650,888	2,766,524	59,211,439
Disposals	(2,891,727)	-	(4,500,641)	-	(638)	-	-	(7,393,006)
Depreciation and amortization charges for the year	(5,204,916)	(7,928,957)	(25,343,503)	(3,734,271)	(23,712,246)	(3,682,888)	(15,567,078)	(85,173,859)
Balance at December 31, 2021, net of accumulated depreciation and amortization	**P 14,626,505**	**P 11,727,568**	**P 39,640,975**	**P 6,995,398**	**P 37,790,864**	**P 10,587,349**	**P 141,438,515**	**P 262,807,174**
Balance at January 1, 2020, net of accumulated depreciation and amortization	P 13,905,379	P 26,503,812	P 66,306,713	P 6,828,150	P 49,257,906	P 12,291,514	P 168,170,300	P 343,263,774
Additions	6,964,992	-	62,036,000	4,134,868	19,694,754	888,125	1,480,204	95,198,943
Disposals	-	-	(39,340,927)	-	-	-	-	(39,340,927)
Depreciation and amortization charges for the year	(7,424,903)	(9,135,842)	(30,507,792)	(3,918,048)	(33,000,880)	(3,560,290)	(15,411,435)	(102,959,190)
Balance at December 31, 2020, net of accumulated depreciation and amortization	P 13,445,468	P 17,367,970	P 58,493,994	P 7,044,970	P 35,951,780	P 9,619,349	P 154,239,069	P 296,162,600
Balance at January 1, 2019, net of accumulated depreciation and amortization	P 11,632,251	P 26,211,271	P 65,042,898	P 6,247,935	P 50,366,508	P 1,131,972	P 169,482,326	P 330,115,161
Additions	11,472,362	8,139,239	32,898,732	4,218,964	35,187,879	14,153,129	13,031,128	119,101,433
Depreciation and amortization charges for the year	(9,199,234)	(7,846,698)	(31,634,917)	(3,638,749)	(36,296,481)	(2,993,587)	(14,343,154)	(105,952,820)
Balance at December 31, 2019, net of accumulated depreciation and amortization	P 13,905,379	P 26,503,812	P 66,306,713	P 6,828,150	P 49,257,906	P 12,291,514	P 168,170,300	P 343,263,774

In 2021 and 2020, certain property and equipment were sold at carrying value amounting to P7.4 million and P39.3 million, respectively. There was no similar transaction in 2019.

The amount of depreciation and amortization is presented as part of Cost of Sales and Services and Other Operating Expenses in the consolidated statements of comprehensive income (see Note 17). Depreciation expense of park maintenance tools and portion of service equipment were charged under park operations, which is subsequently closed to perpetual care fund.

10. LEASES

The Group has leases for certain office spaces. With the exception of short-term leases, each lease is reflected on the consolidated statement of financial position as right-of-use assets and a lease liabilities.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office spaces, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

In 2021 and 2020, the Group has leased 27 and 22 office spaces with an average remaining lease term of two and three years, respectively.

10.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as at December 31, 2021 and 2020 the movements during the periods are shown below.

	2021	2020
Balance as of January 1	**P 18,247,722**	P 16,309,214
Additions	**27,961,494**	15,198,473
Cancellation	**(740,537)**	-
Amortization	**(11,865,331)**	(13,259,965)
Balance as of December 31	**P 33,603,348**	P 18,247,722

In 2021, the Group has pre-terminated a certain lease as mutually agreed with its lessor. Accordingly, the Group has derecognized the corresponding carrying amount of right-of-use asset amounting to P0.7 million and remaining balance of lease liability amounting to P0.8 million as of pre-termination (see Note 29). The gain on lease cancellation amounting to P0.1 million is presented as part of Others under Other Income (Charges) section in the 2021 consolidated statement of comprehensive income (see Note 18). There was no similar transaction in 2020 and 2019.

The total amortization on the right-of-use assets is presented as part of Depreciation and amortization under Other Operating Expenses in the consolidated statements of comprehensive income (see Note 17.2).

10.2 Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as at December 31, 2021 and 2020 as follows:

	2021	2020
Current	**P 9,729,309**	P 8,460,236
Non-current	**25,350,595**	10,200,297
	P 35,079,904	P 18,660,533

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. The future cash outflows to which the Group is potentially exposed to are not reflected in the measurement of lease liabilities represent the amount of monthly rent remaining for the lease term and security deposit to be forfeited. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost. In 2021, the Group has terminated a certain lease (see Note 10.1). There was no similar transaction in 2020.

As at December 31, 2021 and 2020, the Group has no lease committment, which had not yet commenced.

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities at December 31 are as follows:

	Within 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Total**
December 31, 2021						
Lease payments	P 12,031,482	P 9,177,701	P 7,978,605	P 7,037,082	P 4,647,349	P 40,872,219
Finance charges	(2,302,173)	(1,660,088)	(1,100,339)	(602,516)	(127,199)	(5,792,315)
Net present values	P 9,279,309	P 7,517,613	P 6,878,266	P 6,434,566	P 4,520,150	P 35,079,904
December 31, 2020						
Lease payments	P 9,684,353	P 6,346,474	P 4,786,158	P -	P -	P 20,816,985
Finance charges	(1,224,117)	(598,420)	(333,915)	-	-	(2,156,452)
Net present values	P 8,460,236	P 5,748,054	P 4,452,243	P -	P -	P 18,660,533

10.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to short-term leases amounted to P15.6 million, P15.7 million and P11.2 million in 2021, 2020 and 2019, respectively, are presented as Rentals under Other Operating Expenses in the consolidated statements of comprehensive income (see Note 17.2). There are no existing lease commitments for short-term leases.

10.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of long-term leases amounted to P12.3 million, P13.2 million and P12.1 million, in 2021, 2020 and 2019, respectively. The total cash outflow in respect of short-term leases amounted to P15.6 million, P15.7 million and P11.2 million in 2021, 2020 and 2019, respectively. Interest expense in relation to lease liabilities amounted to P2.2 million, P1.7 million and P1.8 million in 2021, 2020 and 2019, respectively. This is presented as part of Finance Costs under Other Income (Charges) in the consolidated statements of comprehensive income.

10.5 Security Deposits

Refundable security deposits represent the lease deposits made to third parties for the lease of the Group's office spaces.

Related rental deposits for these leases amounted to P9.5 million and P9.4 million as of December 31, 2021 and 2020, respectively, and are presented as part of Security deposits under Other Assets in the consolidated statements of financial position (see Note 8).

11. INVESTMENT PROPERTIES

The changes in the carrying amounts of investment properties as presented in the consolidated statements of financial position are as follows:

	Note	**2021**	2020	2019
Balance at beginning of year		**P 75,761,379**	P100,607,675	P587,411,574
Additions during the year		**-**	-	229,191,508
Transfer from real estate inventories	7	**-**	-	67,917,593
Transfer to real estate inventories	7	**-**	(24,846,296)	(783,913,000)
Balance at end of year		**P 75,761,379**	P 75,761,379	P100,607,675

The Group's investment properties consist of parcels of land which is intended for capital appreciation. Certain Investment Properties totaling P24.8 million in 2020 and P783.9 million in 2019 were reclassified to Raw land and Memorial lots for sale under Real Estate Inventories. There was no similar transaction in 2021. In 2019 (nil in 2021 and 2020), certain Real Estate Inventories amounting to P67.9 million were reclassified to Investment Properties (see Note 7).

None of the Group's investment properties have generated rental income. There were also no significant directly attributable cost, purchase commitments and any restrictions as to use related to these investment properties during the reporting periods.

Management has assessed that there were no significant circumstances during the reporting periods that may indicate impairment loss on the Group's investment properties.

The fair value and other information about the measurement and disclosures related to the investment properties are presented in Note 27.3.

12. INTEREST-BEARING LOANS

Short-term and long-term interest-bearing loans pertain to bank loans which are broken down as follows:

	2021	2020
Current	**P2,966,634,143**	P2,113,625,216
Non-current	**3,858,680,740**	5,092,523,778
	P6,825,314,883	P7,206,148,994

The bank loans represent secured and unsecured loans from local commercial banks. The loans which have maturities ranging from 1 to 15 years bear annual interest rates ranging from 5.0% to 5.5% both in 2021 and 2020. The related loan agreements do not contain loan covenant provisions.

In 2021 and 2020, the Group obtained interest-bearing loans amounting to P4,084.6 million and P3,640.1 million, respectively, from local commercial banks for working capital requirements.

Interest expense incurred on these loans amounted to P274.2 million, P275.6 million and P240.5 million for the years ended December 31, 2021, 2020 and 2019, respectively. These are presented as part of Finance costs in the consolidated statements of comprehensive income.

There are no outstanding interest payable as of December 31, 2021 and 2020 related to these loans.

The loans are net of debt issue cost amounting to P49.5 million, P28.7 million and P28.7 million as of December 31, 2021, 2020 and 2019, respectively. The amortization of debt issue cost amounting to P20.6 million, P9.9 million and P6.3 million in 2021, 2020 and 2019, respectively, is presented as part of Finance Costs under Other Income (Charges) section in the consolidated statements of comprehensive income.

Certain loans of the Group are secured by contract receivables with a carrying amount of P3,540.0 million and P3,691.4 million as of December 31, 2021 and 2020 (see Note 6.1 and 26.2).

13. TRADE AND OTHER PAYABLES AND RAWLAND PAYABLE

13.1 Trade and Other Payables

This account consists of:

	Note	**2021**	2020
Trade payables	6	**P 1,183,681,645**	P 1,188,092,237
Accrued expenses		**573,152,542**	520,950,353
Deferred output VAT		**251,648,257**	296,084,381
Retention payable		**87,740,390**	80,861,253
Commission payable		**35,004,286**	69,082,135
VAT payable		**6,816,945**	6,422,925
Withholding taxes payable		**1,177,982**	2,444,373
Other payables		**7,408,871**	7,067,520
		P 2,146,630,918	P 2,171,005,177

Trade payables comprise mainly of liabilities to suppliers and contractors arising from the construction and development of the Group's real estate properties. It also includes liability on assigned receivables which pertains to the outstanding balance of the cash consideration with respect to the receivables assigned by HDC to BHI (see Note 6.1).

Accrued expenses pertain to accruals of professional fees, salaries and other employee benefits, utilities, advertising, marketing and other administrative expenses.

Deferred output VAT is the portion of VAT attributable to outstanding contract receivables. This is reversed upon payment of monthly amortization from customers.

Retention payable pertains to the amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are remitted to the contractors.

Commission payable refers to the liabilities of the Group as of the end of the reporting periods to its sales agents for every sale that already reached the revenue recognition threshold of the Group.

13.2 Rawland Payable

Rawland payable pertains to the amount of outstanding liability regarding the acquisitions of raw land from third parties, which will be used in the development of the Group's subdivision projects.

In 2021 and 2020, the Group purchased various rawlands for expansion and development of the Group's subdivision and memorial lots projects. The outstanding balance arising from these transactions amounted to P838.1 million and P1,316.5 million as of December 31, 2021 and 2020, respectively.

14. CUSTOMERS' DEPOSITS

Customers' deposits pertain to reservation fees and advance payments from buyers, which did not meet the revenue recognition criteria as of the end of the reporting periods. As of December 31, 2021 and 2020, Customers' Deposits account, as presented in the current liabilities section of the consolidated statements of financial position, amounted to P2.7 billion and P3.0 billion, respectively (see Note 2.12).

15. RESERVE FOR PERPETUAL CARE

Under the terms of the contract between the Group and the purchasers of memorial lots, a portion of the amount paid by the purchasers is set aside as Perpetual Care Fund (Trust Fund). The balance of the reserve for perpetual care for memorial lots as of December 31, 2021 and 2020 amounting to P872.4 million and P827.8 million, respectively, represents the total amount of perpetual care from all outstanding sales contracts, net of amount already remitted for fully collected memorial lots into the Trust Fund amounting to P133.4 million and P129.3 million as of December 31, 2021 and 2020, respectively.

As an industry practice, the amount turned over to the Trust Fund is only for fully collected contracts in as much as the outstanding contracts may still be forfeited and/or rescinded. The income earned from the Trust Fund will be used in the perpetual care and maintenance of the memorial lots. Once placed in the Trust Fund, the assets, liabilities, income and expense of the Trust Fund are considered distinct and separate from the assets and liabilities of the Group, thus, do not form part of the accounts of the Group.

The details of the Trust Fund as of December 31, 2021 and 2020 are shown below.

	2021	2020
Assets:		
Cash	**P 855**	P 853
Investment in unit investment trust funds	**4,872,947**	326,560
Investment in other securities and debt instruments	**2,737,849**	3,757,932
Loans and receivables	**23,392**	31,187
Investment in mutual funds	**125,796,531**	125,316,392
Liability –		
Accrued trust fees and other expenses	**(4,678)**	(156,237)
	P 133,426,896	P 129,276,687

16. REVENUES

16.1 Disaggregation of Revenues

The Group derives revenues from sale of real properties and deathcare operations. An analysis of the Group's major sources of revenues in 2021, 2020 and 2019 is presented in the succeeding pages.

	Segments		
	Residential	Deathcare	Total
Geographical areas			
2021			
Luzon	P3,102,945,163	P 446,885,043	P3,549,830,206
Mindanao	942,510,158	179,649,447	1,122,159,605
Visayas	236,965,564	260,389,761	497,355,325
	P4,282,420,885	**P 886,924,251**	**P5,169,345,136**
2020			
Luzon	P3,173,696,316	P 530,201,397	P3,703,897,713
Mindanao	947,033,758	239,584,481	1,186,618,239
Visayas	154,749,527	175,412,204	330,161,731
	P4,275,479,601	P 945,198,082	P5,220,677,683
2019			
Luzon	P4,901,951,215	P 662,926,860	P5,564,878,075
Mindanao	1,923,601,880	465,017,692	2,388,619,572
Visayas	339,221,983	351,975,632	691,197,615
	P7,164,775,078	P1,479,920,184	P8,644,695,262
Type of product or services			
2021			
Low-cost housing	P4,101,983,853	P -	P4,101,983,853
Memorial lots	-	716,196,933	716,196,933
Residential condominium	58,604,810	-	58,604,810
Interest income on contract receivables	121,832,222	61,044,840	182,877,062
Interment	-	75,446,574	75,446,574
Chapel services	-	34,235,904	34,235,904
	P4,282,420,885	**P 886,924,251**	**P5,169,345,136**
2020			
Low-cost housing	P4,103,535,301	P -	P4,103,535,301
Memorial lots	-	821,166,080	821,166,080
Residential condominium	99,079,510	-	99,079,510
Interest income on contract receivables	72,864,790	52,838,022	125,702,812
Interment	-	47,010,066	47,010,066
Chapel services	-	24,183,914	24,183,914
	P4,275,479,601	P 945,198,082	P5,220,677,683

	Segments		
	Residential	Deathcare	Total
Type of product or services			
2019			
Low-cost housing	P6,960,181,384	P -	P6,960,181,384
Memorial lots	-	1,338,035,068	1,338,035,068
Residential condominium	155,245,218	-	155,245,218
Interest income on contract receivables	49,348,476	61,098,493	110,446,969
Interment	-	38,897,054	38,897,054
Chapel services	-	41,889,569	41,889,569
	P7,164,775,078	P1,479,920,184	P8,644,695,262

These are presented in the consolidated statements of comprehensive income under Revenues as follows:

	2021	2020	2019
Real estate sales:			
Low-cost housing	**P4,101,983,853**	P4,103,535,301	P6,960,181,384
Memorial lots	**716,196,933**	821,166,080	1,338,035,068
Residential condominium	**58,604,810**	99,079,510	155,245,218
	4,876,785,596	5,023,780,891	8,453,461,670
Interest income on contract receivables	**182,877,062**	125,702,812	110,446,969
Interment income	**75,446,574**	47,010,066	38,897,054
Income from chapel services	**34,235,904**	24,183,914	41,889,569
	P5,169,345,136	P5,220,677,683	P8,644,695,262

16.2 Contract Accounts

A reconciliation of the movements of contract assets is shown below.

	2021	2020
Balance at beginning of year	**P2,258,812,742**	P1,422,315,531
Transfers from contract assets recognized at the beginning of year to contract receivables	**(2,225,863,291)**	(1,400,036,773)
Additions during the year	**4,331,526,156**	2,236,533,984
Balance at end of year	**P4,364,475,607**	P2,258,812,742

The Group recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period.

Changes in the contract assets are recognized by the Group when a right to receive payment is already established and upon performance of unsatisfied performance obligation.

16.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Prepaid commission under Other Current Assets in the consolidated statements of financial position (see Note 8). These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization for 2021, 2020 and 2019 is presented as part of Commission under Operating Expenses (see Note 17.2).

The movement in balances of deferred commission in 2021 and 2020 is presented below.

	2021	2020
Balance at beginning of year	**P 216,723,048**	P 279,145,834
Additional capitalized cost	**130,254,680**	121,229,572
Reversal due to back out	**(26,374,140)**	(23,006,141)
Amortization for the year	**(110,212,773)**	(160,646,217)
Balance at end of year	**P 210,390,815**	P 216,723,048

16.4 Transaction Price Allocated to Unsatisfied Performance Obligation

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts amounted to P3.8 billion and P3.7 billion as of December 31, 2021 and 2020, respectively, which the Group expects to recognize as follows:

	2021	2020
Within a year	**P 523,183,264**	P 487,133,532
More than one year to three years	**3,257,028,005**	3,199,333,992
Balance at end of year	**P 3,780,211,269**	P 3,686,467,524

17. COSTS AND EXPENSES

17.1 Costs of Sales and Services

Presented below are the details of costs of sale and services.

	2021	2020	2019
Cost of real estate sales	**P2,360,950,485**	P2,575,881,197	P4,339,104,493
Cost of interment	**24,803,872**	16,495,669	16,914,466
Cost of chapel services	**14,125,454**	11,535,529	15,532,654
	P2,399,879,811	P2,603,912,395	P4,371,551,613

Cost of real estate sales is comprised of:

	2021	2020	2019
Cost of land	**P1,357,773,841**	P1,289,233,330	P2,347,226,616
Construction and development costs	**1,003,176,644**	1,286,647,867	1,991,877,877
	P2,360,950,485	P2,575,881,197	P4,339,104,493

17.2 Operating Expenses by Nature

The details of operating expenses by nature for the year ended December 31 are shown as follows:

	Notes	**2021**	2020	2019
Cost of land	17.1	**P1,357,773,841**	P1,289,233,330	P2,347,226,616
Construction and development costs	17.1	**1,003,176,644**	1,286,647,867	1,991,877,877
Salaries and employee benefits	21.1	**357,049,627**	327,486,834	285,823,245
Commission	16.3	**201,243,455**	249,478,378	423,476,891
Advertising		**124,728,413**	95,011,754	141,635,420
Outside services		**102,257,662**	91,833,226	115,616,053
Depreciation and amortization	9, 10	**97,039,190**	116,219,155	117,441,368
Repairs and maintenance		**44,244,716**	45,379,973	23,790,988
Utilities		**34,117,571**	29,745,307	28,069,618
Management fees		**28,731,259**	23,304,629	23,787,026
Prompt payment discount		**24,928,230**	17,089,725	19,915,150
Cost of interment	17.1	**24,803,872**	16,495,669	16,914,466
Transportation and travel		**23,671,505**	18,877,427	34,809,833
Office supplies		**18,036,294**	13,082,037	16,616,562
Rentals	10.3	**15,583,623**	15,711,820	11,186,793
Promotions		**14,436,773**	14,949,027	77,147,032
Cost of chapel services	17.1	**14,125,454**	11,535,529	15,532,654
Representation		**13,442,752**	11,170,047	13,831,315
Professional fees		**11,345,253**	11,574,857	9,549,284
Taxes and licenses		**10,147,806**	22,374,971	29,918,103
Insurance		**7,970,797**	7,899,365	11,187,652
Collection fees		**6,838,814**	6,203,980	12,012,592
Meetings and conferences		**3,042,851**	2,686,445	10,474,908
Trainings and seminars		**733,620**	2,638,133	10,724,281
Miscellaneous		**16,057,359**	23,448,484	19,454,987
		P3,555,527,381	P3,750,077,969	P5,808,020,714

Miscellaneous mainly consist of subscription dues and other fees such as registration, transfer and mortgage fees.

These expenses are classified in the consolidated statements of comprehensive income as follows:

	2021	2020	2019
Costs of sales and services	**P 2,399,879,811**	P 2,603,912,395	P 4,371,551,613
Other operating expenses	**1,155,647,570**	1,146,165,574	1,436,469,101
	P 3,555,527,381	P 3,750,077,969	P 5,808,020,714

18. OTHER INCOME

This account consists of:

	Note	**2021**	2020	2019
Forfeited sales		**P 111,529,075**	P 131,691,365	P 217,658,225
Interest on past due accounts		**8,079,169**	5,646,599	6,566,346
Transfer fees		**2,327,131**	3,519,041	5,670,956
Service tent rentals		**484,373**	1,752,550	1,108,441
Others	10.1	**8,826,334**	7,394,484	2,094,125
		P 131,246,082	P 150,004,039	P 233,098,093

Others include gain on lease cancellation, penalties from customers with lapsed payments, restructured accounts, and other fees collected for transactions incidental to the Group's operations such as payment for memorial garden construction fee, among others (see Note 10.1).

19. TAXES

19.1 Registration with the Board of Investments (BOI)

The BOI approved the Company's application for registration as an Expanding Developer of Economic and Low-Cost Housing Project on a Non-pioneer Status relative to its various units under its Bria Alaminos, Bria Alaminos-Pangasinan, Bria Calamba Executive and Bria General Santos in 2021, Bria Calamba Phase 2, Bria Calamba Phase 4, Bria Calmaba Phase 3, Bria Magalang, Bria Manolo Fortich, Bria Kidapawan, Bria Urdaneta, Bria Norzagaray, Bria Norzagaray Phase 2, Bria Hermosa, Bria Homes, Paniqui, Bria General Trias, Bria Trece Martires, Bria Sta. Cruz, Lumina Tanza Phase 4, Lumina Camarines Sur, Lumina Camarines Sur Classic, Lumina Dumaguete, Lumina Dumaguete 2, and Bria Flats Azure in 2020; Lumina Quezon Phase 2, Bria La Hacienda, Bria San Pablo, Lumina Gensan, Bria Flats Mykonos, Bria Flats Levitha, Bria Flats Corfu, Bria Flats Rhodes, Bria Flats Capri, Bria Sta. Maria, Bria Homes Digos, Bria Homes Tagum, Bria Flats Crimson, Bria Flats Scarlet, Bria Flats Magenta, and Lumina Classic 2B in 2019; Bria Calamba Phases 1 and 2 project in December 2018; under the Northridge Central Lane, Northridge Grove Phase 2, Northridge View, Bria Home Binangonan and Bria General Santos projects in December 2017; and, under the Lumina Tanza Phase 2, Lumina Homes San Pablo and Lumina General Trias (Phases 1 and 2) projects in December 2016.

Under the registration, the applicable rights and privileges provided in the Omnibus Investment Code of 1987 shall equally apply and benefit the BHI with certain incentives including income tax holiday (ITH) for a period of four years from the date of registration.

19.2 Current and Deferred Taxes

On March 26, 2021, RA No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Group.

a. regular corporate income tax (RCIT) rate is decreased from 30% to 25% for HVN and BHI and 20% for GHMPI starting July 1, 2020;
b. minimum corporate income tax (MCIT) rate is decreased from 2% to 1% starting July 1, 2020 until June 30, 2023;
c. the imposition of 10% tax on improperly accumulated retained earnings is repealed; and,
d. the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

As a result of the application of the lower RCIT rate of 25% and 20% starting July 1, 2020, the current income tax expense and income tax payable, as presented in the 2020 annual income tax returns of the Group, were lower by P8.9 million than the amount presented in the 2020 consolidated financial statements which were charged to 2021 profit or loss.

In addition, the recognized net deferred tax assets as of December 31, 2020 were remeasured to 25% in the current period. This resulted in a decline in the recognized net deferred tax liabilities in 2020 by P195.1 million and was charged to 2021 profit or loss (P193.6 million income) and in other comprehensive income (P1.5 million loss).

The components of tax expense reported in consolidated profit or loss and in consolidated other comprehensive income for the years ended December 31 follow:

	2021	2020	2019
Reported in consolidated profit or loss:			
Current tax expense:			
RCIT at 25% and 20% in 2021 and 30% in 2020 and 2019	**P 134,766,701**	P 103,414,406	P 110,650,684
Application of excess MCIT	**-**	-	(4,885,341)
	134,766,701	103,414,406	105,765,343
Adjustment in 2020 income tax due to change in income tax rate	**(8,933,963)**	-	-
Final tax at 20% and 7.5%	**755,909**	3,536,746	464,697
	126,588,647	106,951,152	106,230,040
Deferred tax expense (income) arising from:			
Origination and reversal of temporary differences	**(23,329,523)**	20,218,932	146,099,561
Effect of the change in income tax rate	**(193,602,210)**	-	-
	(216,913,733)	20,218,932	146,099,561
	(P 90,343,086)	P 127,170,084	P 252,329,601
Reported in consolidated other comprehensive income (loss)			
Deferred tax income (expense) arising from:			
Origination and reversal of temporary differences	**(P 2,449,996)**	P 1,922,401	P 9,513,107
Effect of the change in income tax rate	**(1,490,524)**	-	-
	(P 3,940,520)	P 1,922,401	P 9,513,107

The reconciliation of tax on pretax profit computed at the applicable statutory rate to tax expense is as follows:

	2021	2020	2019
Tax on pretax profit at 25% and 20% in 2021 and 30% in 2020 and 2019	**P 361,943,471**	P 404,106,900	P 845,982,452
Adjustment for income subjected to lower tax rates	**(188,246)**	(1,768,370)	(232,348)
Effect of the change in income tax rate	**(202,536,173)**	-	-
Tax effects of:			
Non-taxable income	**(434,307,673)**	(518,691,695)	(757,055,730)
Non-deductible expenses	**184,703,333**	243,523,249	163,635,227
Unrecognized net operating carry-over (NOLCO)	**42,202**	-	-
	(P 90,343,086)	P 127,170,084	P 252,329,601

The net deferred tax liabilities recognized in the consolidated statements of financial position as of December 31, 2021 and 2020 relate to the following:

	2021	2020
Unrealized gross profit	**P 966,894,057**	P1,183,460,864
Retirement benefit obligation	**(25,755,711)**	(29,473,282)
Leases	**(1,407,052)**	(1,203,694)
Unamortized past service cost	**(52,379)**	(113,760)
	P 939,678,915	P1,152,670,128

The deferred tax expense (income) recognized in the consolidated statements of comprehensive income for December 31 relate to the following:

	Consolidated Profit or Loss			Consolidated Other Comprehensive Income		
	2021	2020	2019	**2021**	2020	2019
Unrealized gross profit	**P 216,566,807**	(P 25,058,135)	(P 143,984,881)	**P -**	P -	P -
Retirement benefit obligation	**222,949**	4,071,562	2,436,418	**(3,940,520)**	1,922,401	9,513,107
Leases	**203,358**	818,546	385,148	**-**	-	-
Unamortized past service cost	**(61,381)**	(50,905)	(50,905)	**-**	-	-
MCIT	**-**	-	(4,885,341)	**-**	-	-
NOLCO	**-**	-	-	**-**	-	-
Deferred Tax Income (Expense)	**P 216,931,733**	(P 20,218,932)	(P 146,099,561)	**(P 3,940,520)**	P 1,922,401	P 9,513,107

In 2021, 2020 and 2019, the Parent Company and BHI is subject to MCIT, which is computed at 1%, 2% and 2%, respectively, of gross income as defined under the tax regulations, or RCIT, whichever is higher. Meanwhile, GHMPI, as a newly incorporated entity in 2020, is not yet subject to MCIT until 2024. The Parent Company and BHI reported RCIT in 2021, 2020 and 2019 as the RCIT is higher than MCIT in such years while GHMPI did not report RCIT in 2021 and 2020 since GHMPI has no taxable income in both years.

NOLCO incurred in 2021 and 2020 by GHMPI, amounting to P155,011 and 787,790 can be claimed as a deduction from the future taxable income within five years or until 2025 and 2026, respectively, in accordance with RA No. 11494, *Bayanihan to Recover as One Act*. GHMPI did not recognize the deferred tax assets arising from NOLCO since the management assessed that the related benefits may not be realized within the prescribed period.

In 2021, 2020 and 2019, the Group claimed itemized deductions in computing for its income tax due.

20. RELATED PARTY TRANSACTIONS

The significant transactions of the Group in the normal course of business with its related parties are described as follows:

Related Party Category	Notes	Amount of Transactions			Outstanding Balances	
		2021	2020	2019	**2021**	2020
FPI –						
Advances collected	20.1	**(P 1,035,144)**	(P 3,695,373)	(P 291,873)	**P 1,251,422**	P 2,286,566
Related Parties Under Common Ownership:						
Advances granted (collected)	20.1	**3,889,871**	6,098,101	-	**11,987,972**	8,098,101
Advances obtained (paid)	20.2	**542,489**	(70,027)	-	**(952,080,398)**	(952,622,887)
Payable to HDC	6, 13	**62,128,504**	89,166,605	-	**-**	(62,128,504)

Related Party Category	Notes	Amount of Transactions 2021	2020	2019	Outstanding Balances 2021	2020
Key Management Personnel – Compensation	20.3	**P 35,044,713**	P 34,206,072	P 39,595,553	**P -**	P -

20.1 Due from Related Parties

In the normal course of business, the Group grants noninterest-bearing cash advances to its parent company and other related parties, including those under common ownership, for working capital requirements, capital asset acquisition and other purposes. These advances are unsecured and generally payable in cash on demand or through offsetting arrangements with related parties.

The outstanding advances arising from these transactions amounting to P13.2 million and P10.4 million as at December 31, 2021 and 2020, is presented as Due from Related Parties account in the consolidated statements of financial position.

The movements in due from parent company are shown below.

	2021	2020
Balance at beginning of year	**P 2,286,566**	P 5,981,939
Repayments	**(1,035,144)**	(3,695,373)
Balance at end of year	**P 1,251,422**	P 2,286,566

The movements in due from related parties under common ownership are shown below.

	2021	2020
Balance at beginning of year	**P 8,098,101**	P 2,000,000
Additions	**3,889,871**	6,098,101
Balance at end of year	**P 11,987,972**	P 8,098,101

Based on management's assessment, no impairment losses need to be recognized in 2021, 2020 and 2019 from its receivables from related parties.

20.2 Due to Related Parties

The Group obtained short-term, unsecured, noninterest-bearing advances from related parties under common control for working capital requirements payable in cash upon demand. The outstanding balance is presented as Due to Related Parties account as at December 31, 2021 and 2020.

The movements in the Due to Related Parties account are shown in the succeeding page.

	2021	2020
Balance at beginning of year	**P 952,622,887**	P 952,552,860
Repayments	**(542,489)**	-
Additions	**-**	70,027
Balance at end of year	**P 952,080,398**	P 952,622,887

20.3 Key Management Personnel Compensation

The compensation of key management personnel for the years ended December 31 follows:

	2021	2020	2019
Short term benefits	**P 31,311,556**	P 30,547,411	P 35,901,795
Post-employment benefits	**3,733,157**	3,658,661	3,693,758
	P 35,044,713	P 34,206,072	P 39,595,553

20.4 Retirement Fund

The Group does not have a formal retirement plan established separately from the parent company and its subsidiaries.

The Group's transactions with the fund mainly pertain to contribution, benefit payments and interest income.

The retirement fund neither provides any guarantee or surety for any obligation of the Group nor its investments covered by any restrictions or liens.

The details of the contributions of the Group into the plan are presented in Note 21.2.

21. EMPLOYEE BENEFITS

21.1 Salaries and Employee Benefits

Details of salaries and employee benefits are presented below.

	Notes	2021	2020	2019
Short-term employee benefits		**P 346,401,665**	P 317,909,871	P 280,574,077
Post-employment defined benefit	21.2	**10,647,962**	9,576,963	5,249,168
	17.2	**P 357,049,627**	P 327,486,834	P 285,823,245

21.2 Post-employment Defined Benefit Plan

(a) Characteristics of the Post-Employment Defined Benefit Plan

The Group maintains a funded, non-contributory post-employment benefit plan. The post-employment plan covers all regular full-time employees.

The Group's post-employment defined benefit plan is based solely on the requirement of RA No. 7641, *The Retirement Pay Law*. The optional retirement age is 60 with a minimum of five years of credited service. Normal retirement benefit is based on the employee's final salary and years of credited service.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2021 and 2020.

The amounts of net retirement benefit obligation recognized in the consolidated statements of financial position are determined as shown below.

	2021	2020
Present value of the obligation	**P 112,172,242**	P 107,090,091
Fair value of plan assets	**(9,149,411)**	(8,845,827)
	P 103,022,831	P 98,244,264

The movements in the fair value of plan assets are presented below.

	2021	2020
Balance at beginning of year	**P 8,845,827**	P 9,215,818
Interest income	**361,794**	481,066
Loss on plan assets (excluding amounts included in net interest)	**(58,210)**	(851,057)
Balance at end of year	**P 9,149,411**	P 8,845,827

The Group's plan assets is composed of special deposit account. The plan assets do not comprise any of the Group's own financial instruments or any of its assets occupied and/or used in its operations.

The loss on plan assets amounted to P0.1 million, P0.9 million and P0.6 million in 2021, 2020 and 2019, respectively.

The movements in the present value of defined benefit obligation recognized in the books are as follows:

	2021	2020
Balance at beginning of year	**P 107,090,091**	P 87,480,211
Current service cost	**10,647,962**	9,576,963
Interest expense	**4,292,387**	4,475,971
Actuarial losses (gains) arising from:		
Changes in financial assumptions	**(19,488,178)**	16,189,779
Experienced adjustments	**9,629,980**	(8,921,039)
Changes in demographic assumptions	**-**	(1,711,794)
Balance at end of year	**P 112,172,242**	P 107,090,091

The components of amounts recognized in consolidated profit or loss and in consolidated other comprehensive income in respect of the post-employment defined benefit plan are shown below.

	2021	2020	2019
Reported in profit or loss:			
Current service cost	**P 10,647,962**	P 9,576,963	P 5,249,168
Interest expense – net	**3,930,593**	3,994,905	2,872,222
	P 14,578,555	P 13,571,868	P 8,121,390
Reported in other comprehensive income (losses):			
Actuarial gains (losses) arising from:			
Changes in financial assumptions	**P 19,488,178**	(P 16,189,779)	(P 23,868,938)
Experience adjustments	**(9,629,980)**	8,921,039	(19,394,002)
Changes in demographic assumptions	**-**	1,711,794	11,628,211
Loss on plan assets	**(58,210)**	(851,057)	(75,629)
	P 9,799,988	(P 6,408,003)	(P 31,710,358)

Current service cost and acquired obligation are presented as part of Salaries and employee benefits under the Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 17.2).

Net interest expense is presented as part of Finance Costs under Other Income (Charges) in the consolidated statements of comprehensive income.

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

For the determination of the retirement benefit obligation, the following actuarial assumptions were used:

	2021	2020	2019
Discount rates	**5.16%**	4.01%	5.10%
Expected rate of salary increases	**7.75%**	7.75%	7.75%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is eight years for both male and female. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the DBO is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in savings deposit accounts and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has only investments in cash in banks.

(ii) Longevity and Salary Risks

The present value of the DBO is calculated by reference to the best estimate of the mortality of the plan participants both during their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's timing and uncertainty of future cash flows related to the retirement plan are presented below and in the succeeding page.

(i) Sensitivity Analysis

The table presented in the succeeding page summarizes the effect of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31.

	Impact on Retirement Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2021:			
Discount rate	**+6.19%/-4.19%**	**(P 24,818,639)**	**P 32,431,546**
Salary growth rate	**+6.00%/-4.00%**	**32,548,707**	**(25,057,694)**
2020:			
Discount rate	+5.09%/-3.09%	(P 23,736,553)	P 31,384,889
Salary growth rate	+6.00%/-4.00%	31,224,432	(23,840,259)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the Group through its Retirement Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to ensure that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in fixed interest financial assets, primarily in short term placements. The Group monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

The plan asset is currently composed of special deposit accounts as the Group believes that these investments are the best returns with an acceptable level of risk.

There has been no change in the Group's strategies to manage its risks from previous period.

(iii) Funding Arrangements and Expected Contributions

The plan is currently underfunded by P103.0 million as at year-end, while there are no minimum funding requirement in the Philippines, there is a risk that the Group may not have the cash if several employees retire within the same year.

The Group does not expect to contribute to the retirement fund in 2022.

The maturity profile of undiscounted expected benefit payment from the plan are as follows:

	2021	2020
Less than one year	**P 1,302,078**	P 624,237
One to less than five years	**18,160,704**	6,686,586
Five to less than 10 years	**53,558,677**	26,231,920
More than 10 years to 15 years	**98,563,777**	96,215,366
More than 15 years to 20 years	**89,320,428**	108,914,738
More than 20 years	**659,935,799**	504,838,397
	P 920,841,463	P 743,511,244

The weighted average duration of the defined benefit obligation at the end of the reporting period is 23.76 years.

22. EQUITY

22.1 Capital Stock

Capital stock in 2021 and 2020 consists of:

	Shares	Amount
Common shares – P1.00 par value		
Authorized		
Balance at beginning and end of year	996,000,000	P 996,000,000
Issued and outstanding		
Balance at beginning and end of year	644,117,649	P 644,117,649
Preferred shares – P0.01 par value		
Authorized		
Balance at beginning and end of year	400,000,000	P 4,000,000

On March 17, 2016, the SEC approved the increase in the Parent Company's authorized capital stock from P20.0 million divided into 200,000 common shares with par value of P100 per share to P1,000.0 million divided into 996,000,000 common shares with par value of P1 per share and 400,000,000 preferred shares with par value of P0.01 per share.

On April 1, 2016, the Parent Company applied for the registration of its common shares with the SEC and the listing of the Parent Company's shares on the PSE. The PSE approved the Parent Company's application for the listing of its common shares on June 8, 2016 and the SEC approved the registration of the 74,117,649 common shares of the Parent Company on June 14, 2016.

On June 3, 2016, the SEC approved the listing of the Parent Company's common shares totaling 74.1 million. The shares were initially issued at an offer price of P10.50 per common share. In 2021 and 2020, there were no additional issuances.

On June 29, 2016, by way of an initial public offering (IPO), sold 74,117,649 shares of its common stock at an offer price of P10.50 and generated net proceeds of approximately P703.0 million. The IPO resulted in the recognition of additional paid-in capital amounting to P628.9 million, net of IPO-related expenses amounting to P75.2 million.

On December 27, 2017, the Parent Company's BOD authorized the issuance of 150,000,000 common shares to CGI, a related party under common ownership, out of the unissued authorized capital stock, at a subscription price of P20.1 per share or an aggregate subscription price of P3,014.0 million.

22.2 Revaluation Reserves

As of December 31, 2021, 2020 and 2019, revaluation reserves pertains to accumulated actuarial losses and gains, net of tax, due to remeasurement of post-employment defined benefit plan amounting to P15.0 million, P20.9 million and P16.4 million, respectively (see Note 21.2).

23. EARNINGS PER SHARE

The basic and diluted earnings per share were computed as follows:

	2021	2020	2019
Net profit	**P 1,538,077,695**	P1,219,852,917	P2,567,611,904
Divided by the weighted number of outstanding common shares	**644,117,649**	644,117,649	644,117,649
Basic and diluted earnings per share	**P 2.39**	P 1.89	P 3.99

The Group has no dilutive potential common shares as at December 31, 2021, 2020 and 2019; hence, diluted earnings per share equals the basic earnings per share.

24. COMMITMENTS AND CONTINGENCIES

As of December 31, 2021 and 2020, there are commitments and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Group's consolidated financial statements.

25. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks, unless otherwise stated, to which the Group is exposed to are described below and in the succeeding pages.

25.1 Interest Rate Risk

The Group has no financial instruments subject to floating interest rate, except cash in banks, which has historically shown small or measured changes in interest rates. As such, the Group's management believes that interest rate risks are not material.

25.2 Credit Risk

The Group operates under sound credit-granting criteria wherein credit policies are in place. These policies include a thorough understanding of the customer or counterparty as well as the purpose and structure of credit and its source of repayment. Credit limits are set and monitored to avoid significant concentrations to credit risk. The Group also employs credit administration activities to ensure that all facets of credit are properly maintained.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the financial assets as shown on the consolidated statements of financial position are summarized below.

	Notes	**2021**	2020
Cash and cash equivalents	5	**P 1,924,323,431**	P 1,543,506,480
Contracts receivable	6.1	**9,187,440,684**	11,369,979,479
Contract assets	16	**4,364,475,607**	2,258,812,742
Due from related parties	20.1	**13,239,394**	10,384,667
Security deposits	8	**31,459,767**	102,345,171
Other receivables	6.2	**42,998,668**	38,779,628
		P15,563,937,551	P15,323,808,167

Cash in banks are insured by the Philippine Deposit Insurance Commission up to a maximum coverage of P0.5 million for every depositor per banking institution. Also, the Group's contracts receivable are effectively collateralized by residential houses and lots and memorial lots. Other financial assets are not secured by any collateral or other credit enhancements.

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all contract receivables and other receivables. To measure the expected credit losses, contract receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than contract receivables and have substantially the same risk characteristics as the contract receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2021 and 2020, respectively, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The management determined that there is no required ECL to be recognized on the Group's contract receivables since the fair value of real estate sold when reacquired is sufficient to cover the unpaid outstanding balance of the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient. Accordingly, no additional allowance was recorded by the Group as of December 31, 2021 and 2020.

The Contract Asset account is secured to the extent of the fair value of the real estate sale of house and lot and condominium units sold since the title to the real estate properties remains with the Group until the contract assets or receivables are fully collected. Therefore, there is also no expected loss given default on the contract asset.

The Group considers credit enhancements in determining the expected credit loss. Contract receivables and contract assets from real estate sales are collateralized by the real properties. The estimated fair value of collateral and other security enhancements held against contract receivables and contract assets are presented below.

	Gross Maximum Exposure	**Fair Value of Collaterals**	**Net Exposure**
2021			
Contract receivables	P 9,187,440,684	P 9,847,205,697	P -
Contract assets	4,364,475,607	4,481,504,090	-
	P 13,551,916,291	**P14,328,709,787**	**P -**
2020			
Contract receivables	P 11,369,979,479	P 12,745,144,773	P -
Contract assets	2,258,812,742	3,080,315,294	-
	P 13,628,792,221	P 15,825,460,067	P -

Some of the unimpaired contract receivables and other receivables, which are mostly related to real estate sales, are past due as at the end of the reporting period and are presented in the succeeding page.

	2021	2020
Current (not past due)	**P 5,383,797,369**	P 10,454,860,808
Past due but not impaired:		
More than one month but not more than 3 months	**1,100,180,542**	215,516,932
More than 3 months but not more than 6 months	**1,215,716,657**	94,757,758
More than 6 months but not more than one year	**222,716,155**	3,750,623
More than one year	**1,265,029,961**	601,093,358
	P 9,187,440,684	P 11,369,979,479

ECL for due from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties. The Group does not consider any significant risks in the due from related parties as these are entities whose credit risks for liquid funds are considered negligible, since counterparties are in good financial condition. As of December 31, 2021 and 2020, impairment allowance is not material.

Security deposits are subject to credit risk. The Group's security deposits pertain to receivable from lessors and third party utility providers. Based on the reputation of those counterparties, management considers that these deposits will be refunded when due.

25.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

As of December 31, the Group's financial liabilities have contractual maturities which are presented below and in the succeeding page.

	Within 12 months	**More than One Year to Five Years**
2021		
Trade and other payables	P1,886,987,734	P -
Rawland payable	838,091,629	-
Interest-bearing loans and borrowings	2,792,140,936	4,264,847,144
Due to related parties	952,080,398	-
Reserve for perpetual care	-	872,382,648
	P6,469,300,697	**P5,137,229,792**

	Within	More than One Year to

	12 months	Five Years
2020		
Trade and other payables	P1,866,053,498	P -
Rawland payable	1,316,499,113	-
Interest-bearing loans and borrowings	2,199,058,779	5,298,365,592
Due to related parties	952,622,887	-
Reserve for perpetual care	-	827,845,319
	P6,334,234,277	P6,126,210,911

26. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown as follows:

		2021		2020	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial Assets					
At amortized cost:					
Cash and cash equivalents	5	**P 1,924,323,431**	**P 1,924,323,431**	P 1,543,506,480	P 1,543,506,480
Contracts receivable	6	**9,187,440,684**	**9,431,389,608**	11,369,979,479	11,495,682,291
Due from related parties	20.1	**13,239,394**	**13,239,394**	10,384,667	10,384,667
Security deposits	8	**31,459,767**	**31,459,767**	102,345,171	102,345,171
Other receivable	6.2	**42,998,668**	**42,998,668**	38,779,628	38,779,628
		P 11,199,461,944	**P 11,443,410,868**	P 13,064,995,425	P 13,190,698,237
Financial Liabilities					
At amortized cost:					
Interest-bearing loans	12	**P 6,825,314,883**	**P 7,056,988,080**	P 7,206,148,994	P 7,497,424,371
Trade and other payables	13	**1,886,987,734**	**1,886,987,734**	1,866,053,498	1,866,053,498
Due to related parties	20.2	**952,080,398**	**952,080,398**	952,622,887	952,622,887
Rawland payable	13.2	**838,091,629**	**838,091,629**	1,316,499,113	1,316,499,113
Reserve for perpetual care	15	**872,382,648**	**872,382,648**	827,845,319	827,845,319
		P 11,374,857,292	**P 11,606,530,489**	P 12,169,169,811	P 12,460,445,188

See Note 2.5 for a description of the accounting policies for each category of financial instrument. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 25.

26.2 Offsetting of Financial Assets and Financial Liabilities

Except as more fully described in Note 20, the Group has not set-off financial instruments in 2021 and 2020 and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 20 can be potentially offset to the extent of their corresponding outstanding balances.

The Group has cash in certain local banks to which it has outstanding loans (see Note 12). Moreover, the Group has certain contract receivables which were used as collateral security against interest-bearing loans (see Note 6.1). Accordingly, in case of the Group's default on loan amortization, cash in bank amounting to P455.1 million and P456.5 million and contract receivable amounting to P3,540.0 million and P3,691.4 million can be applied against its outstanding loans amounting to P6,825.3 million and P7,206.1 million as of December 31, 2021 and 2020, respectively. In addition, the Group has payables to HDC amounting P62.1 million that are collateralized by contract receivable by the same amount as of December 31, 2020 (nil in 2021).

27. FAIR VALUE MEASUREMENT AND DISCLOSURES

27.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

27.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The Group's financial assets which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed include cash and cash equivalents, which are categorized as Level 1, and contract and other receivables, due from related parties and security deposits which are categorized as Level 3. Financial liabilities which are not measured at fair value but for which fair value is disclosed pertain to interest-bearing loans and borrowings, trade and other payables, due from related parties, rawland payable, and reserve for perpetual care which are categorized as Level 3.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data.

27.3 Fair Value Measurement for Non-financial Assets

The Group's investment properties amounting to P75.8 million are categorized under level 3 hierarchy of non-financial assets measured at cost as of December 31, 2021 and 2020 (see Note 11).

The fair value of the Group's investment properties, pertaining to parcels of land, amounting to P508.3 million and P508.1 million as of December 31, 2021 and 2020, respectively, are determined on the basis of the appraisals performed by an independent appraiser, respectively, with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land, and the comparable prices in the corresponding property location.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's non-financial assets indicated above is their current use.

The Group determines the fair value of idle properties through appraisals by independent valuation specialists using market – based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

The level 3 fair value of land was determined based on the observable recent prices of the reference properties, adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

28. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the carrying amount of equity as presented in the consolidated statements of financial position. Capital for the reporting periods under review is summarized as follows:

	2021	2020
Total liabilities	**P 15,442,046,018**	P16,715,318,770
Total equity	**11,383,779,669**	9,839,842,506
Debt-to-equity ratio	**1.36:1.00**	1.70:1.00

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below and in the succeeding page is the supplemental information on the Group's liabilities arising from financing activities (see Notes 10.2, 12 and 20.2):

	Interest-bearing Loans	**Due to Related Parties**	**Lease Liabilities**	**Total**
Balance as at January 1, 2021	P 7,206,148,994	P 952,622,887	P 18,660,533	P8,177,432,414
Cash flows from financing activities:				
Additional borrowings	4,084,581,414	-	-	4,084,581,414
Repayments	(4,465,415,525)	(542,489)	(12,332,902)	(4,478,290,916)
Non-cash financing activities:				
Interest expense on lease liabilities	-	-	2,209,777	2,209,777
Derecognition of lease liabilities	-	-	(799,611)	(799,611)
Additional lease liabilities	-	-	27,342,107	27,342,107
Balance as at December 31, 2021	**P 6,825,314,883**	**P 952,080,398**	**P 35,079,904**	**P7,812,475,185**
Balance as at January 1, 2020	P 7,625,880,975	P 952,552,860	P 16,466,548	P8,594,900,383
Cash flows from financing activities:				
Additional borrowings	3,640,123,741	70,027	-	3,640,193,768
Repayments	(4,059,855,722)	-	(13,248,845)	(4,073,104,567)
Non-cash financing activities:				
Interest expense on lease liabilities	-	-	1,722,004	1,722,004
Additional lease liabilities	-	-	13,720,826	13,720,826
Balance as at December 31, 2020	P 7,206,148,994	P 952,622,887	P 18,660,533	P8,177,432,414
Balance as of January 1, 2019, as restated	P 1,996,787,464	P 952,552,860	P 25,485,769	P2,974,826,093
Cash flows from financing activities:				
Additional borrowings	6,888,902,680	-	-	6,888,902,680
Repayments	(1,259,809,169)	-	(12,057,343)	(1,271,866,512)
Non-cash financing activities:				
Interest expense on lease liabilities	-	-	1,852,620	1,852,620
Additional lease liabilities	-	-	1,185,502	1,185,502
Balance as at December 31, 2019	P 7,625,880,975	P 952,552,860	P 16,466,548	P8,594,900,383

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Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
Golden MV Holdings, Inc. and Subsidiaries
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties Inc.]
San Ezekiel, C5 Extension
Las Piñas City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Golden MV Holdings, Inc. and subsidiaries (the Group) for the year ended December 31, 2021, on which we have rendered our report dated May 13, 2022. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

CPA Reg. No. 0111202
TIN 233-090-319
PTR No. 8852325, January 3, 2022, Makati City
SEC Group A Accreditation
Partner - No. 1762-A (until Aug. 5, 2022)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-039-2021 (until Nov. 9, 2024)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

May 13, 2022

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
List of Supplementary Information
December 31, 2021

Schedule	Content	Page No.
Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable to Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Long-term Debt	4
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7
Other Required Information		
	Reconciliation of Retained Earnings Available for Dividend Declaration	8
	Map Showing the Relationship Between the Company and its Related Entities	9

Golden MV Holdings, Inc. and Subsidiaries
Schedule A - Financial Assets
Financial Assets at Amortized Cost
December 31, 2021

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*	*Amount shown on the balance sheet*	*Valued based on the market quotation at balance sheet date*	*Income received and accrued*
Cash and cash equivalents		P 1,924,323,431	P 1,924,323,431	P 3,944,717
Contract receivable		9,187,440,684	9,431,389,608	182,877,062
Due from related parties		13,239,394	13,239,394	
Security deposits		31,459,767	31,459,767	-
Other receivable		42,998,668	42,998,668	
	-	P 11,199,461,944	P 11,443,410,868	P 186,821,779

Golden MV Holdings, Inc. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Related Parties)
December 31, 2021

				Ending Balance		
Name	***Beginning Balance***	***Additions***	***Deductions***	***Current***	***Not current***	***Total***

NOTHING TO REPORT

Golden MV Holdings, Inc. and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
December 31, 2021

Name and designation of debtor	Balance at the beginning of period	Additions	Deductions		Current	Not current	Balance at the end of the period
			Amounts collected	Amounts written off			
Golden Haven Memorial Park, Inc.	P 731,790	P 37,694,679	P -	P -	P -	P -	P 38,426,469
Bria Homes, Inc.	-	257,142,857	-	-	-	-	257,142,857

Golden MV Holdings, Inc. and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2021

Title of issue and type of obligation	*Amount authorized by indenture*	*Amount shown under caption "Current portion of long-term debt" in related balance sheet*	*Amount shown under caption "Long-Term Debt" in related balance sheet*
Long -term loan (Domestic)	P 6,825,314,883	P 2,966,634,143	P 3,858,680,740

Golden MV Holdings, Inc. and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-term Loans from Related Companies)
December 31, 2021

Name of Related Party	*Balance at Beginning of Period*	*Balance at End of Period*
Britanny Estates Corporation	P 11,208,285	P 10,665,796
Cambridge Group, Inc.	901,878,629	901,878,629
Fine Properties, Inc.	39,535,973	39,535,973
Total	**P 952,622,887**	**P 952,080,398**

Golden MV Holdings, Inc. and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2021

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	*Title of Issue of Each Class of Securities Guaranteed*	*Total Amount Guaranteed and Outstanding*	*Amount Owned by Person for which Statement is Filed*	*Nature of Guarantee*

NOTHING TO REPORT

Golden MV Holdings, Inc. and Subsidiaries
Schedule G - Capital Stock
December 31, 2021

				Number of shares held by		
Title of Issue	***Number of shares authorized***	***Number of shares issued and outstanding as shown under the related balance sheet caption***	***Number of shares reserved for options, warrants, conversion and other rights***	***Related parties***	***Directors, officers and employees***	***Others***
Common shares - P1 par value	996,000,000	644,117,649	-	570,802,055	3,170,302	70,145,292
Preferred shares - P.01 par value	400,000,000					

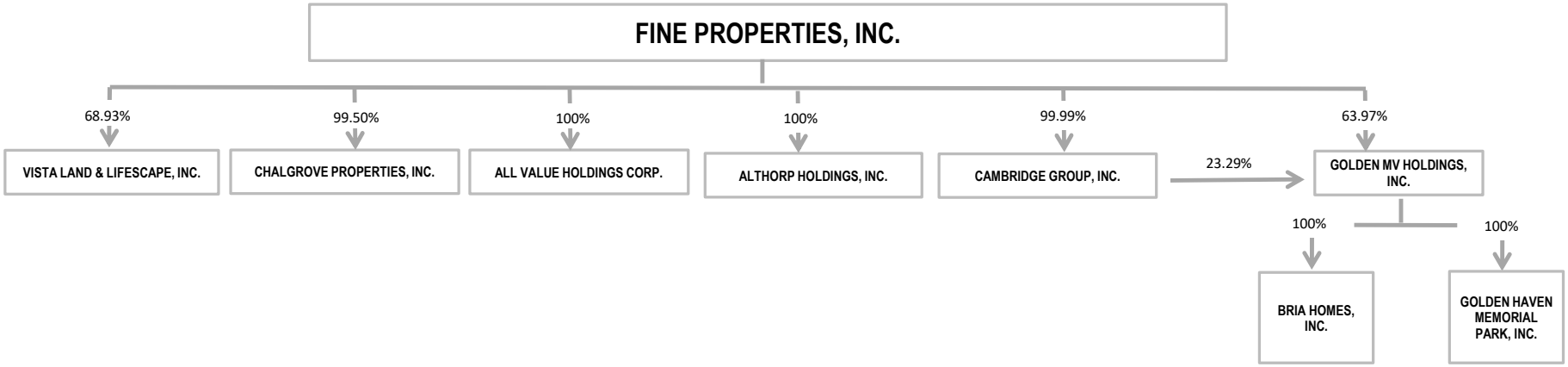
GOLDEN MV HOLDINGS, INC.
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended December 31, 2021

Unappropriated Retained Earnings Available for Dividend Delcaration at Beginning of Year			P	1,140,703,921
Prior Years' Outstanding Reconciling Item, net of tax				
Deferred tax asset			(	1,969,656)
Unappropriated Retained Earnings Available for Dividend Delcaration at Beginning of Year, as Adjusted				1,138,734,265
Net Profit Realized during the period				
Net profit per audited financial statements	P	245,662,560		
Deferred tax income	(	79,110,273)		166,552,287
Unappropriated Retained Earnings Available for Dividend Declaration at End of Year			**P**	**1,305,286,552**

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES

SHOWING THE RELATIONSHIPS BETWEEN AND AMONG COMPANIES IN THE GROUP

ULTIMATE PARENT COMPANY AND SUBSIDIARY



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Grant Thornton

Report of Independent Auditors on Components of Financial Soundness Indicators

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
Golden MV Holdings, Inc. and Subsidiaries
(Formerly Golden Bria Hossldings, Inc.)
[A Subsidiary of Fine Properties Inc.]
San Ezekiel, C5 Extension
Las Piñas City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Golden MV Holdings, Inc. and subsidiaries (the Group) for the years ended December 31, 2021 and 2020, on which we have rendered our report dated May 13, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission (SEC), and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and 2020 and for each of the two years in the period ended December 31, 2021 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

CPA Reg. No. 0111202
TIN 233-090-319
PTR No. 8852325, January 3, 2022, Makati City
SEC Group A Accreditation
Partner - No. 1762-A (until Aug. 5, 2022)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-039-2021 (until Nov. 9, 2024)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

May 13, 2022

GOLDEN MV HOLDINGS, INC.
Supplemental Schedule of Financial Soundness Indicators
December 31, 2021 and 2020

Ratio	Formula	2021	Formula	2020
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets P 24,338,924,660 Divide by: Total Current Liabilities 9,642,930,289 Current ratio 2.52	2.52	Total Current Assets divided by Total Current Liabilities Total Current Assets P 23,522,645,669 Divide by: Total Current Liabilities 9,533,834,984 Current ratio 2.47	2.47
Acid test ratio	Quick assets (Total Current Assets less Real Estate Inventories) divided by Total Current Liabilities Total Current Assets P 24,338,924,660 Less: Real Estate Inventories 7,291,399,818 Quick Assets 17,047,524,842 Divide by: Total Current Liabilities 9,642,930,289 Acid test ratio 1.77	1.77	Quick assets (Total Current Assets less Real Estate Inventories) divided by Total Current Liabilities Total Current Assets P 23,522,645,669 Less: Real Estate Inventories 7,555,584,828 Quick Assets 15,967,060,841 Divide by: Total Current Liabilities 9,533,834,984 Acid test ratio 1.67	1.67
Solvency ratio	Earnings before interest, taxes, depreciation and amprtization (EBITDA) divided by Total Debt (includes interest-bearing loans and borrowings) EBITDA P 1,845,719,318 Divide by: Total Debt 6,825,314,883 Solvency ratio 0.27	0.27	Earnings before interest, taxes, depreciation and amprtization (EBITDA) divided by Total Debt (includes interest-bearing loans and borrowings) EBITDA P 1,753,544,067 Divide by: Total Debt 7,206,148,994 Solvency ratio 0.24	0.24
Debt-to-equity ratio	Total Debt (includes interest-bearing loans and borrowings) divided by Total Equity Total Debt P 6,825,314,883 Divide by: Total Equity 11,383,779,669 Debt-to-equity ratio 0.60	0.60	Total Debt (includes interest-bearing loans and borrowings) divided by Total Equity Total Debt P 7,206,148,994 Divide by: Total Equity 9,839,842,506 Debt-to-equity ratio 0.73	0.73
Assets-to-equity ratio	Total Assets divided by Total Equity Total Assets P 26,825,825,687 Divide by: Total Equity 11,383,779,669 Assets-to-equity ratio 2.36	2.36	Total Assets divided by Total Equity Total Assets P 26,555,161,276 Divide by: Total Equity 9,839,842,506 Assets-to-equity ratio 2.70	2.70
Interest rate coverage	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT P 1,748,680,128 Divide by: Interest expense 300,945,519 Interest rate coverage ratio 5.81	5.81	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT P 1,637,324,912 Divide by: Interest expense 290,301,911 Interest rate coverage ratio 5.64	5.64
Return on equity	Net Profit (Loss) divided by Total Equity Net Profit P 1,538,077,695 Divide by: Total Equity 11,383,779,669 Return on equity 0.14	0.14	Net Profit (Loss) divided by Total Equity Net Loss P 1,219,852,917 Divide by: Total Equity 9,839,842,506 Return on equity 0.12	0.12
Return on assets	Net Profit (Loss) divided by Total Assets Net Profit P 1,538,077,695 Divide by: Total Assets 26,825,825,687 Return on assets 0.06	0.06	Net Profit (Loss) divided by Total Assets Net Profit P 1,219,852,917 Divide by: Total Assets 26,555,161,276 Return on assets 0.05	0.05
Net Profit Margin	Net Profit (Loss) divided by Total Revenue Net Profit P 1,538,077,695 Divide by: Total Revenue 5,169,345,136 Return on assets 0.30	0.30	Net Profit (Loss) divided by Total Revenue Net Loss P 1,219,852,917 Divide by: Total Revenue 5,220,677,683 Return on assets 0.23	0.23

COVER SHEET

1	0	8	2	7	0					

S.E.C. Registration Number

GOLDEN MV HOLDINGS, INC.
AND SUBSIDIARIES

(Company's Full Name)

SAN EZEKIEL, C5 EXTENSION,
LAS PIÑAS CITY

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

Estrellita S. Tan	(02) 8873-2922
Contact Person	Company Telephone Number

1	2	3	1

Month *Day*
Calendar Year

17-Q

FORM TYPE

0	7	1	5

Month *Day*
Annual Meeting

N/A

Secondary License Type,
If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2022**

2. SEC Identification Number **108270**

3. BIR Tax Identification No. **000-768-991-000**

4. **Golden MV Holdings, Inc.**
   Exact name of issuer as specified in its charter

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

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

7. **San Ezekiel, C5 Extension, Las Piñas City, Philippines** **1746**
   Address of Principal Office Postal Code

8. **(632) 8873-2922 / (632) 8873-2923**
   Issuer's telephone number, including area code

9. **Golden Bria Holdings, Inc.**
   Former name, former address and former fiscal year, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding
Common stock	**644,117,649**

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

    Yes [X] No [ ]

12. Indicate by check mark whether the registrant:

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

    Yes [X] No [ ]

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

    Yes [X] No [ ]

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PART I - FINANCIAL STATEMENTS

Item 1. Financial Statements

- Consolidated Statements of Financial Position as of March 31, 2022 and December 31, 2021
- Consolidated Statements of Income for the three-months ended March 31, 2022 and 2021
- Consolidated Statements of Comprehensive Income for the three-months ended March 31, 2022 and 2021
- Consolidated Statement of Changes in Equity for the three-months ended March 31, 2022 and 2021
- Consolidated Statements of Cash Flows for the three-months ended March 31, 2022 and 2021
- Notes to Consolidated Financial Statements

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

- Results of Operation covering three months of 2022 vs. three months of 2021
- Financial Condition as of March 31, 2022 vs December 31, 2021
- Material Changes (5% or more) - Statement of Financial Position
- Material Changes (5% or more) - Statement of Comprehensive Income
- Commitments and Contingencies

PART II – OTHER INFORMATION

Item 3. Three (3) months of 2022 Developments

Item 4. Other Notes to 3 months of 2022 Operating and Financial Results

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
STATEMENTS OF FINANCIAL POSITION
As of March 31, 2022 and December 31, 2021
(Amount in Thousands)

	Notes	UNAUDITED March 2022	AUDITED December 2021
ASSETS			
Current Assets			
Cash and cash equivalents	5	**₱1,805,755**	₱1,924,323
Contracts receivables	6	**7,752,167**	7,111,124
Contract assets	16	**4,364,476**	4,364,476
Due from related parties	20	**7,387**	13,239
Other receivables	6	**2,240,299**	2,355,083
Real estate inventories	7	**6,868,720**	7,291,400
Other current assets	8	**1,291,639**	1,279,279
Total Current Assets		**24,330,443**	24,338,924
Non-current Assets			
Contracts receivables	6	**2,069,914**	2,076,316
Property and equipment – net	9	**254,504**	262,807
Right-of-use assets – net	10	**33,603**	33,603
Investment properties	11	**75,761**	75,761
Other non-current assets	8	**38,571**	38,414
Total Non-current Assets		**2,472,353**	2,486,901
TOTAL ASSETS		**₱26,802,796**	26,825,825
LIABILITIES AND EQUITY			
Current Liabilities			
Interest-bearing loans	12	**₱3,102,210**	2,966,634
Trade and other payables	13	**1,496,580**	2,146,631
Rawland payables	13	**822,307**	838,091
Lease liability	10	**9,729**	9,729
Customers' deposits	14	**2,742,609**	2,716,084
Due to related parties	20	**967,190**	952,080
Income tax payable	19	**21,470**	13,680
Total Current Liabilities		**9,162,095**	9,642,929
Noncurrent Liabilities			
Interest-bearing loans	12	**3,858,578**	3,858,681
Lease liability	10	**25,351**	25,351
Deferred tax liabilities – net	19	**960,881**	939,679
Reserve for perpetual care	15	**880,908**	872,382
Retirement benefit obligation		**103,023**	103,023
Total Noncurrent Liabilities		**5,828,741**	5,799,116
Total Liabilities		**14,990,836**	15,442,045
EQUITY	21		
Capital stock		**644,118**	644,118
Additional paid-in capital		**2,970,209**	2,970,209
Retained earnings		**8,212,641**	7,784,461
Revaluation reserves		**(15,008)**	(15,008)
Total Equity		**11,811,960**	11,383,780
TOTAL LIABILITIES AND EQUITY		**₱26,802,796**	₱26,825,825

See accompanying Notes to Financial Statements

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
STATEMENT OF COMPREHENSIVE INCOME
For the three months ended March 31, 2022 and 2021
(Amount in Thousands)

	Notes	**UNAUDITED JAN – MAR Q1-2022**	**UNAUDITED JAN – MAR 2022**	UNAUDITED JAN – MAR Q1-2021	UNAUDITED JAN – MAR 2021
Real estate sales		**₱1,479,391**	**₱1,479,391**	₱1,475,651	₱1,475,651
Interest income on contract receivables	6	**43,523**	**43,523**	39,735	39,735
Interment Income		**16,575**	**16,575**	14,902	14,902
Income from chapel services		**7,671**	**7,671**	8,407	8,407
	16	**1,547,160**	**1,547,160**	1,538,695	1,538,695
COSTS AND EXPENSES	17				
Costs of sales and services		**725,772**	**725,772**	759,405	759,405
Other operating expenses		**309,126**	**309,126**	305,259	305,259
		1,034,898	**1,034,898**	1,064,664	1,064,664
OPERATING PROFIT		**512,262**	**512,262**	474,031	474,031
OTHER INCOME (CHARGES)					
Finance costs	12	**(105,872)**	**(105,872)**	(105,129)	(105,129)
Finance income	5	**24**	**24**	92	92
Other revenues	18	**50,758**	**50,758**	35,119	35,119
		(55,090)	**(55,090)**	(69,918)	(69,918)
PROFIT BEFORE TAX		**457,172**	**457,172**	404,113	404,113
TAX EXPENSE	19	**(28,992)**	**(28,992)**	(23,927)	(23,927)
NET INCOME		**₱428,180**	**₱428,180**	₱380,186	₱380,186
TOTAL COMPREHENSIVE INCOME		**₱428,180**	**₱428,180**	₱380,186	₱380,186
Basic and Diluted Earnings Per Share	22	**₱0.66**	**₱0.66**	₱0.59	₱0.59

See accompanying Notes to Financial Statements

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
STATEMENT OF CHANGES IN EQUITY
For the three months ended March 31, 2022 and 2021
(Amount in Thousands)

	Capital Stock	Paid-in Capital	Revaluation Reserves	Retained Earnings	Total Equity
Balance at January 1, 2022	₱644,118	₱2,970,209	(₱15,008)	₱7,784,461	₱11,383,780
Total comprehensive income for the period	–	–	–	428,180	428,180
Balance at March 31, 2022	**₱644,118**	**₱2,970,209**	**(₱15,008)**	**₱8,212,641**	**₱11,811,960**
Balance at January 1, 2021	₱644,118	₱2,970,209	(₱20,867)	₱6,246,384	₱9,839,844
Total comprehensive income for the period	–	–	–	380,186	380,186
Balance at March 31, 2021	**₱644,118**	**₱2,970,209**	**(₱20,867)**	**₱6,626,570**	**₱10,220,030**

See accompanying Notes to Financial Statements

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
STATEMENT OF CASH FLOWS
For the three months ended March 31, 2022 and 2021
(Amount in Thousands)

	UNAUDITED JAN – MAR Q1-2022	**UNAUDITED JAN – MAR 2022**	UNAUDITED JAN – MAR Q1-2021	UNAUDITED JAN – MAR 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**₱457,172**	**₱457,172**	₱404,113	₱404,113
Adjustments for:				
Interest income	**(43,547)**	**(43,547)**	(39,827)	(39,827)
Depreciation and amortization	**18,081**	**18,081**	25,361	25,361
Interest expense	**105,872**	**105,872**	105,129	105,129
Operating profit before working capital changes	**537,578**	**537,578**	494,776	494,776
Decrease (increase) in:				
Contracts receivables	**(634,641)**	**(634,641)**	(361,238)	(361,238)
Due from related parties	**5,852**	**5,852**	(1,212)	(1,212)
Other receivables	**114,784**	**114,784**	73,195	73,195
Real estate inventories	**422,680**	**422,680**	173,500	173,500
Other assets	**(12,517)**	**(12,517)**	(100,207)	(100,207)
Increase (decrease) in:				
Trade and other payables	**(650,051)**	**(650,051)**	47,731	47,731
Rawland payable	**(15,784)**	**(15,784)**	1,865	1,865
Customers' deposits	**26,525**	**26,525**	30,911	30,911
Other liabilities	**23,636**	**23,636**	(26,195)	(26,195)
Cash from (used in) operations	**(181,938)**	**(181,938)**	333,126	333,126
Interest received	**43,547**	**43,547**	39,827	39,827
Net Cash From (Used in) Operating Activities	**(138,391)**	**(138,391)**	372,953	372,953
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	**(9,778)**	**(9,778)**	(24,528)	(24,528)
Cash Used in Investing Activities	**(9,778)**	**(9,778)**	(24,528)	(24,528)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net availment/(payment) of interest-bearing loans	**135,473**	**135,473**	(202,751)	(202,751)
Interest paid	**(105,872)**	**(105,872)**	(105,129)	(105,129)
Net Cash Used in Financing Activities	**29,601**	**29,601**	(307,880)	(307,880)
NET INCREASE (DECREASE) IN CASH	**(118,568)**	**(118,568)**	40,545	40,545
CASH AT BEGINNING OF PERIOD	**1,924,323**	**1,924,323**	1,543,506	1,543,506
CASH AT END OF PERIOD	**₱1,805,755**	**₱1,805,755**	₱1,584,051	₱1,584,051

See accompanying Notes to Financial Statements

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
(A Subsidiary of Fine Properties, Inc.)
NOTES TO FINANCIAL STATEMENT

1. CORPORATE INFORMATION

1.1 Organization and Operations

Golden MV Holdings, Inc. (HVN or the Parent Company), formerly Golden Bria Holdings, Inc., was incorporated in the Philippines on November 16, 1982. The Parent Company's primary purpose is to invest, purchase or otherwise to acquire and own, hold, use, sell, assign, transfer, lease mortgage, exchange, develop, manage or otherwise dispose of real property, such as but not limited to memorial lots and chapels, or personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporations. As of March 31, 2022, the Parent Company is 63.97% effectively owned subsidiary of Fine Properties, Inc. (FPI), which is a holding company.

In 2017, HVN acquired 99.99% ownership interest in Bria Homes, Inc. (BHI). Accordingly, BHI became a subsidiary of HVN. BHI is presently engaged in developing and selling real estate properties, particularly, residential houses, and lots. Both the Parent Company and BHI are entities under common control of FPI. Accordingly, the Parent Company accounted for the acquisition of BHI under pooling of interest method of accounting [see Note 2.4 (b)].

In 2020, HVN owns 99.99% ownership interest in Golden Haven Memorial Park, Inc. (GHMPI), an entity which was incorporated on August 24, 2020. GHMPI is engaged in the development and selling of memorial lots, particularly those under the administration of HVN's memorial parks. As of March 31, 2022, GHMPI has not yet started commercial operations.

In 2021, HVN owns 99.99% ownership interest in VTech Capital, Inc. (VTECH), an entity which was newly incorporated on March 1, 2022. VTECH is engaged in the business of a holding company, to buy and hold shares of other companies particularly in the technology and financial technology related businesses. As of March 31, 2022, VTECH has not yet started commercial operations.

The registered office address of BHI which is also its principal place of business is located at Lower Ground Floor, Bldg. B Evia Lifestyle Center, Daang Hari Rd., Almanza Dos, City of Las Pinas which is also its principal place of business. The registered office address of HVN, GHMPI and VTECH, which is also their principal place of business, is located at San Ezekiel, C5 Extension, Las Piñas City. The registered office of FPI is located at 3rd Level, Starmall Las Piñas, CV. Starr Avenue, Pamplona, Las Piñas City.

On November 23, 2020, the Board of Directors (BOD) expressed its approval on the proposed amendment to change the Company's Corporate name from Golden Bria Holdings, Inc. to Golden MV Holdings, Inc. The required written assent from the Company's stockholders to approve the amendment was received on December 12, 2020. The said change was approved by the Securities and Exchange Commission (SEC) and Bureau of Internal Revenue (BIR) on January 27, 2021 and May 8, 2021, respectively.

The Parent Company's shares of stock are listed at the Philippine Stock Exchange (PSE) beginning June 29, 2016 (see Note 21).

1.2 Impact of COVID-19 Pandemic on the Group's Business

The COVID-19 pandemic started to become widespread in the Philippines in early March 2020. The measures taken by the government to contain the spread of the virus have affected economic conditions and the Group's business operations.

In response to this matter, the Group placed necessary measures to ensure that revenues will not be significantly affected such as increased online presence through online advertising and promotion and other offline promotional activities to attract customers. The Group also strengthened its online facility to cater the needs of its customers and implemented online-based payment schemes to encourage customers to pay their billings on time. The Group also implemented new occupational safety and health standards to provide safe and sanitized environment for employees through strict observation of health and safety protocols, retrofitting of office premises and work spaces, implementation of work-at-home arrangements, and periodic testing of employees to minimize infection within the workplace and minimize disruptions in its operations

The following are the impact of the COVID-19 pandemic to the Group's business:

Real Estate Sales

Real estate sales decreased due to limited selling activities and restricted construction activities. Other observations are presented below.

- construction activities were temporarily suspended during the community quarantine period and thereafter have slowly resumed on in selected areas;
- temporary closure of office premises from March 16 to June 1, and subsequently, upon resumption of operations, implementation of flexible working arrangements; and,
- incurrence of additional costs to ensure a safe and virus-free environment for both employees and customers.

Management will continue to take actions to continually improve the operations as the need arises. Based on the foregoing improvements, management projects that the Group would continue to report positive results of operations and would remain liquid to meet current obligations as they fall due. Accordingly, management has not determined material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern due to the effects of the pandemic.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), which include the availments of the financial reporting reliefs issued and approved by the SEC disclosed in Note 2.2 (c).

PFRS are adopted by the Financial Reporting Standards Council (FRSC), from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, Presentation of Financial Statements. The Group presents all items of income, expense and other comprehensive income or loss in a single consolidated statement of comprehensive income.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of New and Amended PFRS

(a) Effective in 2022 that are Relevant to the Group

The Group adopted for the first time the following pronouncements, which are mandatorily effective for annual periods beginning on or after January 1, 2022:

Conceptual Framework	:	Revised Conceptual Framework for Financial Reporting
PAS 1 and PAS 8 (Amendments)	:	Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
PFRS 3	:	Business Combinations – Definition of a Business
PFRS 7 and PFRS 9	:	Financial Instruments: Disclosures and Financial Instruments – Interest Rate Benchmark Reform

Discussed below and in the succeeding page are the relevant information about these pronouncements.

(i) *Revised Conceptual Framework for Financial Reporting*. The revised conceptual framework will be used in standard-setting decisions with immediate effect. Key changes include (a) increasing the prominence of stewardship in the objective of financial reporting, (b) reinstating prudence as a component of neutrality, (c) defining a reporting entity, which may be a legal entity, or a portion of an entity, (d) revising the definitions of an asset and a liability, (e) removing the probability threshold for recognition and adding guidance on derecognition, (f) adding guidance on difference measurement basis, and, (g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements. The application of the revised conceptual framework had no significant impact on the Groups' consolidated financial statements.

(ii) PAS 1 *(Amendments), Presentation of Financial Statements, and* PAS 8 *(Amendments), Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material* (effective from January 1, 2020). The amendments provide a clearer definition of 'material' in PAS 1 by including the concept of 'obscuring' material information with immaterial information as part of the new definition, and clarifying the assessment threshold (i.e., misstatement of information is material if it could reasonably be expected to influence decisions made by primary users, which consider the characteristic of those users as well as the entity's own circumstances. The definition of material in PAS 8 has been accordingly replaced by reference to the new definition in PAS 1. In addition, amendments have also been made in other standards that contain definition of material or refer to the term 'material' to ensure consistency. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iii) PFRS 3 *(Amendments), Business Combinations – Definition of a Business*. The amended definition of a business requires an acquisition to include input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. Also, the amendments will likely result in more acquisitions being accounted for as asset acquisitions. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iv) PFRS 7 *(Amendments), Financial Instruments: Disclosures, and* PFRS 9 *(Amendments), Financial Instruments – Interest Rate Benchmark Reform.* The amendments clarify that an entity would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedge cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. The application of these amendments had no significant impact on the Group's consolidate financial statements.

(b) Effective Subsequent to 2021 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2020, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's consolidated financial statements:

(i) PFRS 16 (Amendments), *Leases – COVID -19 – Related Rent Concessions* (effective from June 30, 2020). The amendments permit lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead of account for those rent concessions as if they are not lease modifications.

(ii) PFRS 3 (Amendments), *Business Combination – Reference to Conceptual Framework* (effective from January 1, 2022). The amendments update an outdated reference to the Conceptual Framework in PFRS 3 without significantly change the requirements in the standard.

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

(iv) PAS 37 (Amendments), *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract* (effective from January 1, 2022). The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that related directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that related directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant equipment used in fulfilling the contract).

(v) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2023). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

(vi) PFRS 10 (Amendments), Consolidated Financial Statements, and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendments to PFRS 10 require full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale of contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of arrangements that should be accounted for as a single transaction.

(vii) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, the following amendments, which are effective from January 1, 2022, are relevant to the Group:

- PFRS 9 (Amendments), *Financial Instruments – Fees in the '10 per cent' Derecognition of Liabilities.* The improvements clarify the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially difference from the terms of the original financial liability.

- Illustrative Examples Accompanying PFRS 16, *Leases – Lease Incentives.* The improvement merely removes potential for confusion regarding lease incentives.

(c) SEC Financial Reporting Reliefs Availed by the Group

The Group has availed of several financial reporting reliefs granted by the SEC under Memorandum Circular (MC) No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*, MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14* relating to several implementation issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry.

Following are the financial reporting reliefs availed of by the Group, including the descriptions of the implementation issues and their qualitative impacts to the financial statements. The Group opted to avail the reliefs until the end of the deferment period as provided under the relevant MC.

Relief	Description and Implication	Deferral period
PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell*	PFRS 15 requires that, in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. Had the Group elected not to defer this provision of the standard, it would have an impact in the financial statement as there would have been a significant financing component when there is a difference between the percentage of completion (POC) of the real estate project and the right to the consideration based on the payment schedule stated in the contract. The Group would have recognized an interest income when the POC of the real	Originally until December 31, 2020 under MC 4-2020; further deferred until December 31, 2023 under MC 34-2020

Relief	Description and Implication	Deferral period
	estate project is greater than the right to the consideration and interest expense when lesser. Both interest income and expense would be calculated using the effective interest rate method. These would have affected the retained earnings, real estate sales, and profit or loss for the period ended March 31, 2022 and 2021.	
PIC Q&A No. 2018-12-H, *Accounting for common usage service area (CUSA) charges*	The following should be considered by the role of a real estate developer in providing goods or services: (i) Electricity usage – Agent (ii) Water usage – Agent (iii) Air-conditioning charges – Principal (iv) CUSA charges, and administrative and handling fees – Principal The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, electricity, air-conditioning and CUSA in its office and retail spaces, wherein it is acting as agent. Since the Group has availed this relief, the Group retained its current assessment and accounting for air-conditioning charges and CUSA. Had the Group elected not to defer this provision of the standard, revenues from air-conditioning charges and CUSA charges would have been presented as part of Revenues in the statements of comprehensive income. These would not result to any adjustments in the retained earnings and profit or loss for the period ended March 31, 2022 and 2021.	Originally until December 31, 2020 under MC 4-2020; further deferred until December 31, 2023 under MC 34-2020

The SEC Memorandum Circulars also provided the required disclosures in the notes to the financial statements should an entity decide to avail of any relief, which include the following:

- the accounting policies applied;
- a discussion of the deferral of the subject implementation issues in the PIC Q&A;
- a qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted; and,
- the corresponding required quantitative disclosures should any of the deferral options result into a change in accounting policy.

As prescribed by SEC MC No. 34-2020, for financial reporting periods beginning on or after January 1, 2022, the availment of the above deferrals will impact the Group's financial reporting during the period of deferrals as follows:

- The financial statements are not considered to be in accordance with PFRS and should specify in the "Basis of Preparation of the Financial Statements" section of the financial statements that the accounting framework is PFRS, as approved by the SEC in response to the COVID-19 pandemic; and,

- The auditor's report shall reflect in the opinion paragraph that the financial statements are prepared in accordance with PFRS, as modified by the application of financial reporting reliefs issued and approved by the SEC. In addition, the external auditor shall include an Emphasis of Matter paragraph in the auditor's report to draw attention to the basis of accounting that has been used in the preparation of the financial statements.

(d) PIC Q&As Relevant to the Real Estate Industry

In 2020, the PIC has issued four PIC Q&As which are relevant to the real estate industry.

- PIC Q&A No. 2020-02, *Conclusion on PIC Q&A No. 2018-12-E: On the Treatment of Materials Delivered on Site but not yet Installed in Measuring the Progress of the Performance Obligation.*

  In recognizing revenue using a cost-based input method, the cost incurred for customized materials not yet installed are to be included in the measurement of progress to properly capture the efforts expended by the Group in completing its performance obligation. In the case of uninstalled materials that are not customized, since the Group is not involved in their design and manufacture, revenue should only be recognized upon installation or use in construction. The Group does not include uninstalled materials that are not customized in determining the measure of progress; hence, the adoption of this PIC Q&A will not have a significant impact on the Group's consolidated financial statements.

- PIC Q&A no. 2020-03, Conclusion on PIC Q&A No. 2018-12-D: On the Accounting Treatment for the Difference when the POC is Ahead of the Buyer's Payment

  The difference when the POC is ahead of the buyer's payment can be accounted for either as a contract asset or receivable. The PIC has concluded that both views are acceptable as long as this is consistently applied in transactions of the same nature. The Group intends to continue its current treatment of accounting for the difference when the POC is ahead of the buyer's payment as a contract asset.

- *PIC Q&A No. 2020-04, Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*

  There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of project, are expected within one year and significant financing component is not expected to be significant. The adoption of this PIC Q&A will be consistent with PIC Q&A 2018-12-D.

- *PIC Q&A No. 2020-05, Accounting for Cancellation of Real Estate Sales (PIC Q&A No. 2020-05 will supersede PIC Q&A No. 2018-14)*
  There are three acceptable approaches in accounting for cancellation and repossession of the property as follows:

  - repossessed property is recognized at fair value less cost to repossess;
  - repossessed property is recognized at fair value plus repossession cost; or,
  - cancellation is accounted for as a modification of the contract.

  The Group accounts for cancellation of sales contract as modification of contract (see Note 2.12); hence, the adoption of this PIC Q&A will not have significant impact on the Group's consolidated financial statements.

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries as disclosed in Note 1, after the elimination of material intercompany transactions. All intercompany assets and liabilities, equity, income, expense and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

Subsidiaries are entities (including structured entities) over which the Parent Company has control. The Parent Company controls an entity when it is exposed, 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 from the date the Parent Company obtains control.

The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, an entity is deconsolidated from the date that control ceases.

2.4 Business Combinations

Business combination is subject to either of the following relevant policies:

(a) Acquisition Method

This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any noncontrolling interest in the

acquiree, either at fair value or at the noncontrolling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any noncontrolling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of identifiable net assets acquired is recognized as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly as gain in profit or loss.

(b) Pooling of Interest Method

Business combinations arising from transfers of interests in entities that are under the common control of the principal stockholder are accounted for under the pooling-of interests method. Under the pooling of interest, the assets and liabilities of the Group are reflected in the consolidated financial statements at carrying values. The difference between the net assets of the acquiree at business combination and the amount of consideration transferred by the acquirer is accounted for as equity reserve.

The consolidated statement of comprehensive income reflects the results of the Group, irrespective of when the combination took place and retained earnings reflects the accumulated earnings of the Group as if the entities had been combined at the beginning of the year. Any revaluation reserves under the equity of the Group, is carried over in the consolidated financial statement at its pooling of interest values determined as if the pooling of interest method has been applied since the entities were under common control.

No restatements are made to the financial information in the consolidated financial statements for periods prior to the business combination as allowed under PIC Q&A No. 2012-01, PFRS 3.2; *Application of the Pooling of Interests Method for Business Combinations of Entities under Common Control in Consolidated Financial Statements, (Amended by PIC Q&A No. 2015-01and PIC Q&A No. 2018-13)*; hence, the profit and loss of the acquiree is included in the consolidated financial statements for the full year, irrespective of when the combination took place. Also, no goodwill is recognized as a result of the business combination and any excess between the net assets of the acquiree and the consideration paid is accounted for as "equity reserves", which will eventually be closed to additional paid-in capital. Also, any pre-acquisition income and expenses of a subsidiary are no longer included in the consolidated financial statements.

2.5 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's BOD, its chief operating decision-maker. The BOD is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and service lines as disclosed in Note 4, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its consolidated financial statements, except

depreciation and amortization that are not included in arriving at the operating profit of the operating segments.

In addition, corporate assets and liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

2.6 Financial Instruments

Financial assets are recognized when the Group becomes a party to the contractual terms of the financial instrument.

(a) Financial Assets

For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

(i) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The financial assets category currently relevant to the Group is financial assets at amortized cost.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,

- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely for payment of principal and interest on the principal amount outstanding.

Except for trade receivables that do not contain a significant financing component and are measured at transactions price in accordance with PFRS 15, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any impairment value.

The Group's financial assets at amortized cost are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Contracts Receivables, Due from Related Parties, and Security deposits (presented under Other Assets) and Other Receivables (except Advances to contractors and others, and advances to employees).

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

For purposes of cash flows reporting and presentation, Cash and Cash Equivalents comprise accounts with original maturities of three months or less, including cash. These generally include cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in the consolidated statement of comprehensive income as part of Finance Income.

(ii) Impairment of Financial Assets

The Group assesses and recognizes an allowance for expected credit losses (ECL) on its financial assets measured at amortized cost. The measurement of the ECL involves consideration of broader range of information in assessing credit risk, including past events (e.g., historical credit loss experience) and current conditions, adjusted for forward-looking factors specific to the counterparty or debtor and the economic environment that affect the collectability of the future cash flows of the financial assets. ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial assets.

The Group assesses impairment of contract receivables on a collective basis based on shared credit risk characteristics of financial assets. The Group determines the ECL for contract receivables by applying a method that evaluates the credit quality of a portfolio of contract receivables and the cumulative loss rates by analyzing historical net charge-offs arising from sales cancellations for homogenous accounts that share the same origination period. For other credit exposures, the Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information using a provision matrix. For deposits in banks, the Group applies the low credit risk simplification and measures the ECL on the financial assets based on a 12-month basis unless there has been a significant increase in credit risk since origination, in that case, the loss allowance will be based on the lifetime ECL.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of likelihood of a counterparty defaulting at its financial obligation over a given time horizon, either over the next 12 months or the remaining lifetime of the obligation

- *Loss given default* – It is an estimate of loss related to the amount that may not be recovered after the default occurs. It is based on the difference between the contractual cash flows due in accordance with the terms of the instrument and all the cash flows that the Group expects to receive. For contract receivables, this include cash flows from resale of repossessed real estate properties, net of direct costs of obtaining and selling the properties such as commission, refurbishment, and refund payment under Republic Act (RA) 6552, *Realty Installment Buyer Protection Act* or Maceda Law.

- *Exposure at default* – It represents the gross carrying amount of the financial instruments in the event of default which pertains to its amortized cost.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(iii) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(b) Financial Liabilities

Financial liabilities, which include Interest-bearing Loans, Trade and Other Payables except tax-related payables, Rawland Payable, Reserve for Perpetual Care and Due to Related Parties, are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss under Finance Costs in the consolidated statement of comprehensive income.

Interest-bearing loans and borrowings, which are recognized at proceeds received, net of direct issue costs, are raised for support of long-term funding of operations. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss

(c) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the consolidated statement of financial position when the Group currently has legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at

the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

For financial assets and liabilities subject to enforceable master netting agreements or similar arrangements, each agreement between the Group and its counterparty allows for net settlement of the relevant financial assets and financial liabilities when both to elect on a net basis. In the absence of such election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

2.7 Inventories

(a) Real estate Inventories

Real estate inventories include raw land, residential house and lots for sale, condominium units and property development costs. At the end of the reporting period, real estate inventories are valued at the lower of cost and net realizable value. Cost includes acquisition costs of the land plus the costs incurred for its development, improvement and construction, including capitalized borrowing costs (see Note 2.16). All costs relating to the real estate property sold are recognized as expense as the work to which they relate is performed.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Real estate inventories for sale are written down to their net realizable values when such accounts are less than their carrying values.

(b) Construction Materials

Construction materials (presented as part of Other Current Assets) pertains to cost of uninstalled and unused construction and development materials at the end of the reporting period. It is recognized at purchase price and is subsequently recognized as part of real estate inventories when installed or used during construction and development of real estate projects.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

Repossessed inventories arising from sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or Contract Asset to be derecognized and the cost of the repossessed property is recognized in the consolidated statement of comprehensive income.

2.8 Other Current Assets and Advances to Contractors

Other current assets and Advances to contractors (presented as part of other receivables in the consolidated statement of financial position) are recognized in the consolidated financial statements when it is probable that the future economic benefits will flow to the Group and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Group beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as non-current assets.

2.9 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized while expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization is computed on the straight-line basis over the estimated useful lives of the assets starting on the month following the date of acquisition or completion of the assets.

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

Service vehicle	5 years
Service equipment	3-5 years
Park maintenance tools and equipment	3-5 years
Chapel and office furniture, fixtures and equipment	2-5 years
System development cost	3-5 years
Chapel and office building	15 years

Construction in progress represents properties under construction and is stated at cost. This includes costs of construction, applicable borrowing costs (see Note 2.16) and other direct costs. The account is not depreciated until such time that the assets are completed and available for use.

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.14).

The residual values, estimated useful lives and method of depreciation of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

2.10 Investment Properties

Investment properties are parcels of land held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less any impairment in value (see Note 2.14). Transfers from other accounts (such as Memorial lots and Rawland) are made to investment property when and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers from investment property are made when, and only when, there is a change in use, evidenced by commencement of the owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent measurement is its carrying value at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the disposal of investment property is recognized in profit or loss in the period of disposal.

2.11 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision

2.12 Revenue and Expense Recognition

Revenue comprises revenue from real estate sale and rendering of interment and chapel services measured by reference to the fair value of consideration received or receivable by the Group for goods sold and services rendered, excluding value-added tax (VAT) and trade discounts.

To determine whether to recognize revenue, the Group follows a five-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligation;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and,
5. Recognizing revenue when/as performance obligations are satisfied.

For Step 1 to be achieved, the following five gating criteria must be present:

(a) the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
(b) each party's rights regarding the goods or services to be transferred or performed can be identified;
(c) the payment terms for the goods or services to be transferred or performed can be identified;
(d) the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and,
(e) Collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Group satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- the Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control over the goods or services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied. The Group uses the practical expedient in PFRS 15 with respect to non-disclosure of the aggregate amount of the transaction price allocated to unsatisfied or partially satisfied performance obligations as of the end of the reporting period and the explanation of when such amount will be recognized.

The Group develops real properties such as residential house and lot, condominium units and memorial lots. The Group often enters into contracts to sell real properties as they are being developed. The Group also provides interment and chapel services inside its memorial parks. The significant judgment used in determining the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for on the year of forfeiture. Any gain or loss on cancellation is charged to profit or loss. The Group accounts for cancellation of sales contract as modification of contract accordingly, previously recognized revenues and related costs are reversed at the time of cancellation.

In addition, the following specific recognition criteria must also be met before revenue is recognized [significant judgments in determining the timing of satisfaction of the following performance obligations are disclosed in Note 3.1(b)]:

(a) *Real estate sales on pre-completed residential houses and lots* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development.

(b) *Real estate sales on completed residential house and lots* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer.

(c) *Real estate sales on memorial lots* – Revenue from the Group's sale of memorial lots, which are substantially completed and ready for use, is recognized as the control transfers at the point in time with the customer**.**

(d) *Rendering of services* – income from interment and chapel services is recognized at a point in time when control over the services transfers to the customer.

Incremental costs of obtaining a contract to sell real estate property to customers are recognized as an asset and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. Other costs and expenses are recognized in profit or loss upon utilization of services or receipt of goods or at the date they are incurred. Finance costs are reported on an accrual basis except capitalized borrowing costs (see Note 2.16).

Contract assets pertain to rights to consideration in exchange for goods or services that the Group has transferred to a customer that is conditioned on something other than passage of time. Under its contracts with customers, the Group will receive an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract Assets in the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets.

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities in the consolidated statement of financial position. A contract liability is the Groups obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

In addition, real estate sales are recognized only when certain collection threshold was met over which the Group determines that collection of total contract price is reasonably assured. The Group uses historical payment pattern of customers in establishing a percentage of collection threshold.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sales, consideration received from customers are recognized as Customers' Deposits in the consolidated statement of financial position. Customers' deposit is recognized at the amounts received from customers and will be subsequently applied against the contract receivables when the related real estate sales is recognized.

2.13 Leases – Group as Lessee

The Group accounts for its leases as follows:

(a) Accounting for Leases in Accordance with PFRS 16

For any new contracts entered into, the Group considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability in the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist (see Note 2.14).

On the other hand, the Group measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable, if any, variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the consolidated statement of financial position, right-of-use assets and lease liabilities have been presented separately from property and equipment and other liabilities, respectively.

(b) Accounting for Leases in Accordance with PAS 17

Leases which transfer to the Group substantially all risks and benefits incidental to ownership of the leased item are classified as finance leases and are recognized as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property at the inception of the lease or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between the finance costs and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

The Group determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific or identified asset or assets and the arrangement conveys a right to use the asset for a period of time in exchange for consideration.

2.14 Impairment of Non-financial Assets

The Group's property and equipment, investment properties, right-of-use assets and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

2.15 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan, defined contribution plan and other employee benefits which are recognized as follows:

(a) Post-employment Defined Benefit Plan

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group, even if plan

assets for funding the defined benefit plan have been acquired. The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory and administered by a trustee.

The liability recognized in the consolidated statement of financial position for a defined benefit plan is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows for expected benefit payments using a discount rate derived from the interest rates of a zero coupon government bonds, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability. The interest rates are based from the reference rates published by Bloomberg using its valuation technology, Bloomberg Valuation (BVAL). BVAL provide evaluated prices that are based on market observations from contributed sources.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in net interest) are reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, unless there is a plan amendment, curtailment or settlement during the reporting period. The calculation also takes into account any changes in the net defined benefit liability or asset during the period as a result of contributions to the plan or benefit payments. Net interest is reported as part of Finance Income or Finance Costs in the consolidated statement of comprehensive income.

Past-service costs are recognized immediately in profit or loss in the period of a plan amendment or curtailment.

(b) Post-employment Defined Contribution Plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity (e.g. Social Security System). The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities or assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(c) 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. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided.

(d) Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in

exchange for these benefits. The Group recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognizes costs for a restructuring that is within the scope of PAS 37, and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

(e) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of each reporting period. They are included in Trade and Other Payables account in the consolidated statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.16 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset.

The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.17 Income Taxes

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method, on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense 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.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.18 Equity

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits. Also included is the difference between the consideration for the acquisition and the net assets of BHI under the pooling of interest method.

Revaluation reserves comprise gains and losses arising from remeasurements of post-employment defined benefit plan.

Retained earnings represent all current and prior period results of operations as reported in the consolidated statement of comprehensive income, reduced by the amount of dividends declared, if any.

2.19 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the entities in the Group and their related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and, (d) the Group’s funded post-employment plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions of Publicly-listed Companies*, transactions amounting to 10% or more of the total consolidated assets based on its latest consolidated financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the Group's board of directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Group's consolidated total assets based on the latest consolidated financial statements, the same board approval would be required for the transactions that meet and exceeds the materiality threshold covering the same related party.

2.20 Earnings Per Share

Basic earnings per share (EPS) is determined by dividing the net profit for the period attributable to common shareholders by the weighted average number of common shares issued and outstanding during the year (see Note 22).

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of potential dilutive shares (see Note 22)

2.21 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determining Existence of a Contract with Customer

In a sale of real estate properties, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as

contract with customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Group assesses the probability that the Group 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, the Group considers the significance of the customer's downpayment in relation to the total contract price.

Collectability is also assessed by considering factors such as past history with the customer 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.

(b) Evaluation of the Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

The Group exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Group considers the following:

- any asset created or enhanced as the Group performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Group's enforceable right for payment for performance completed to date.

The Group's performance obligation are satisfied as follows:

- *Residential condominium units and houses and lots* – Management determines that revenues from sale of pre-completed residential condominium units and houses and lots are satisfied over time, while completed real estate properties is satisfied at a point in time, since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments.

- *Memorial lots* – Management determines that its revenue from sale of memorial lots, which are substantially completed and ready for use, shall be recognized at a point in time when the control of goods have passed to the customer, i.e., upon issuance of purchase agreement (PA) to the customer.

(ii) Interment and Cremation Services

The Group determines that revenue from interment and cremation services shall be recognized at a point in time based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided.

(c) Determination of Collection Threshold for Revenue Recognition

The Group uses judgement in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Group uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Group determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price.

(d) Determination of ECL on Contract and Other Receivables, Contract Assets and Due from Related Parties

The Group uses a provision matrix to calculate ECL for contract and other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Group's contract and other receivables are disclosed in Note 24.2.

In relation to advances to related parties, PFRS 9 notes that the maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Group's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Group cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

Based on the relevant facts and circumstances existing at the reporting date, management has assessed that all strategies indicate that the Group can fully recover the outstanding balance of its receivables, thus, no ECL is required to be recognized.

(e) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For office leases, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers

other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Group included the renewal period as part of the lease term for office leases due to the significance of these assets to its operations. These leases have a non-cancellable lease period (i.e., 4 to 10 years) and there will be a significant negative effect on production if a replacement is not readily available. However, the renewal options for leases of transportation equipment were not included as part of the lease term because the Group has historically exercises its option to buy these transportation equipment at the end of the lease term.

(f) Distinction Among Investment Properties, Owner-managed Properties and Real Estate

The Group classifies its acquired properties as Property and Equipment if used in operations and administrative purposes, as Investment Properties if the Group intends to hold the properties for capital appreciation or rental and as Real Estate Inventories if the Group intends to develop the properties for sale.

(g) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.10 and relevant disclosures are presented in Note 23.

3.2 Key Sources of Estimation Uncertainty

Presented below and in the succeeding pages are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(a) Revenue Recognition for Performance Obligations Satisfied Over Time

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(b) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 24.2.

(c) Determination of Net Realizable Value of Real Estate Inventories

In determining the net realizable value of real estate inventories, management takes into account the most reliable evidence available at the time the estimates are made. Management determined that the carrying values of its real estate inventories are lower than their net realizable values based on the present market rates. Accordingly,

management did not recognize any valuation allowance on these assets as of March 31, 2022.

(d) Estimation of Useful Lives of Property and Equipment and Right-of-use Assets

The Group estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use 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 assets.

The carrying amounts of property and equipment and right-of-use assets are analyzed in Notes 9 and 10.1, respectively. Based on management's assessment as at March 31, 2022, there is no change in the estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(e) Fair Value Measurement of Investment Property

The Group's investment property composed of land are carried at cost at the end of the reporting period. In addition, the accounting standards require the disclosure of the fair value of the investment properties. In determining the fair value of these assets, the Group engages the services of professional and independent appraiser applying the relevant valuation methodologies as discussed in Note 26.3.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

(f) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount 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 asset to be utilized. Management assessed that the deferred tax assets (offset against deferred tax liabilities) recognized as at March 31, 2022 will be fully utilized in the coming years (see Note 19).

(g) Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.14). Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

No impairment losses were required to be recognized on property and equipment, investment properties, right-of-use assets and other non-financial assets for the period ended March 31, 2022 and 2021 (see Notes 8, 9, 10 and 11).

(h) Valuation of Post-employment DBO

The determination of the Group's obligation and cost of post-employment defined benefit plan is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 2.14 and include, among others, discount rates and salary increase rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

(i) Distinction Between Operating and Finance Leases

The Group has entered into various lease agreements as a lessee. Critical judgment was exercised by management to distinguish the lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreement. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Management has assessed that its existing lease agreements at the end of each reporting period qualifies under operating lease.

4. SEGMENT REPORTING

4.1 Business Segments

The Group's operating businesses are organized and managed separately according to the nature of products and services provided. In identifying its reportable operating segments, management generally follows the Group's two main revenue sources, which represent the products and services provided by the Group, namely Residential Projects and Deathcare.

(a) Residential – this segment pertains to the housing market segment of the Group. It caters on the development and sale of residential house and lots, subdivision lots, and condominium units.

(b) Deathcare – the segment pertains to sale of memorial lots, interment income, and income from chapel services.

4.2 Analysis of Segment Information

The following table present revenue and profit information regarding business segments of the Group for the period ended March 31, 2022:

	Death Care	Residential	Total
Revenues	₱234,508	₱1,312,652	₱1,547,160
Cost of sales and services	(96,123)	(629,649)	(725,772)
Gross profit	138,385	683,003	821,388
Other operating expenses	95,234	213,892	309,126
Depreciation and amortization	(9,244)	(8,837)	(18,081)
	85,990	205,055	291,045
Segment profit before tax and depreciation and amortization	₱52,395	₱477,948	₱530,343
Segment Assets	₱5,066,079	₱21,653,569	₱26,719,648
Segment Liabilities	₱1,751,283	₱11,290,012	₱13,041,295

The results of operations from the two segments are used by management to analyze the Group's operation and to allow them to control and study the costs and expenses. It is also a management indicator on how to improve the Group's operation. Expenses are allocated through direct association of costs and expenses to operating segments.

4.3 Reconciliation

Presented below and succeeding page is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

	(in thousands)
Assets:	
Total segment asset	₱26,719,648
Due from related parties	7,387
Investment property	75,761
Group Total Assets	₱26,802,796
Liabilities:	
Total segment liabilities	₱13,041,295
Due to related parties	967,190
Income tax payable	21,470
Deferred tax liabilities	960,881
Group Total Liabilities	₱14,990,836

4.4 Disaggregation of Revenue from Contract with Customers and Other Counterparties

When the Group prepares its investor presentations and when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented in Notes 4.1 and 4.2.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's Executive Committee can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15, which is to disaggregate revenue from contracts with customers and other counterparties and disclosed herein as additional information) into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. A summary of additional disaggregation from the segment revenues and other unallocated income are shown in the Note 16.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of March 31 follows:

	(in thousands)
Cash on hand	₱22,249
Cash in bank	1,577,220
Short-term placements	206,286
	₱1,805,755

Cash on hand comprises of revolving fund, commission fund and petty cash fund intended for the general use of the Group. Cash in banks generally earn interest at rates based on daily bank deposit rates. The related interest income earned amounted to ₱0.02 million and ₱0.1 million on March 31, 2022 and 2021, respectively, is presented as Finance Income in the statements of comprehensive income

6. CONTRACTS AND OTHER RECEIVABLES

6.1 Contracts Receivables

This account is composed of the following:

	(in thousands)
Current	₱7,752,167
Non-current	2,069,914
	₱9,822,081

Contracts receivables represent receivables from sale of residential houses and lots, subdivision lots, memorial lots, and condominium units, which are normally collectible within one to five years. Contracts receivables have an annual effective interest rate of 4.5% to 12.0% in 2022 and 2021. Interest income related to contracts receivables amounted to ₱43.5 million and ₱39.7 million on March 31, 2022 and 2021, respectively, and are reported under Revenues in the consolidated statements of comprehensive income.

The Group's contracts receivables are effectively collateralized by the real estate properties sold to the buyers considering that the title over the rights in the real estate properties will only be transferred to the buyers upon full payment.

In 2022, certain receivables amounting to ₱2,837.0 million were used as collateral security against interest-bearing loans (see Note 12).

6.2 Other Receivables

The composition of this account as of March 31 is shown below.

	(in thousands)
Advances to contractors and others	₱2,080,416
Advances to employees	109,003
Others	50,880
	₱2,240,299

Advances to contractors and others mainly represent advances to contractors or suppliers as advance payments for purchase of construction materials, supplies and construction services. This also include excess of advances over the remaining liability related to construction development.

Advances to employees represent cash advances and noninterest-bearing short-term loans granted to the Group's employees, which are collected through liquidation and salary deduction.

Others mainly pertain to receivables from the buyers for documentary fees and other assistance related to processing and transfer of lots and units sold.

7. REAL ESTATE INVENTORIES

Details of real estate inventories, which are stated at cost and is lower than NRV, are shown below.

	(in thousands)
Raw land	₱4,148,266
Memorial lots	1,115,501
Residential houses and lots	1,019,243
Property development costs	462,714
Condominium units	122,996
	₱6,868,720

Raw land pertains to the cost of several parcels of land acquired by the Group to be developed and other costs incurred to effect the transfer of the title of the properties to the Group.

Memorial lots consist of acquisition costs of the land, construction and development costs, and other necessary costs incurred in bringing the memorial lots ready for sale.

Residential houses and lots represent houses and lots in subdivision projects for which the Group has already been granted the license to sell by the Housing and Land Use Regulatory Board of the Philippines. Residential houses include units that are ready for occupancy and units under construction.

The property development costs represent the accumulated costs incurred in developing the real estate properties for sale. Costs incurred comprise of actual costs of land, construction and related engineering, architectural and other consultancy fees related to the development of residential projects.

Condominium units for sale pertain to the accumulated land costs, construction services and other development costs incurred in developing the Group's condominium projects.

8. OTHER ASSETS

This account consists of the following as of March 31:

	(in thousands)
Current:	
Construction materials	₱832,950
Prepaid commission	355,840
Creditable withholding taxes	65,394
Prepaid expenses	26,088
Security deposits - current	6,395
Deferred input VAT	3,694
Other assets	1,278
	1,291,639
Non-current:	
Security deposits	25,271
Other assets	13,300
	38,571
	₱1,330,210

Construction materials pertain to aluminum forms and various materials to be used in the construction of residential houses. Deferred input VAT pertains to the unamortized portion of input VAT from purchases of capital goods which are subject to amortization.

9. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at March 31, 2022 shown below.

	Building	Leasehold Improvements	Service Vehicle	Service Equipment	Park Maintenance Tools and Equipment	Furniture, Fixtures and Equipment	System Development Cost	Total
Cost	₱211,476	₱59,480	₱151,194	₱20,961	₱41,558	₱231,531	₱59,682	₱775,882
Accumulated depreciation and amortization	(71,750)	(45,559)	(121,030)	(19,096)	(35,243)	(187,743)	(40,957)	(521,378)
Net carrying amount	₱139,726	₱13,921	₱30,164	₱1,865	₱6,315	₱43,788	₱18,725	₱254,504

The amount of depreciation and amortization is presented as part of Cost of Sales and Services and Other Operating Expenses in the consolidated statements of comprehensive income (see Note 17). Depreciation expense of park maintenance tools and portion of service equipment were charged under park operations, which is subsequently closed to perpetual care fund (see Note 15).

10. LEASES

The Group has leases for certain office spaces. With the exception of short-term leases, each lease is reflected on the consolidated statement of financial position as right-of-use assets and a lease liabilities.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term.

The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office spaces, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The Group has leased 27 office spaces with an average remaining lease term of three years.

10.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as of March 31, 2022 is ₱33.6 million.

The total amortization on the right-of-use assets is presented as part of Depreciation and amortization under Other operating expense in the consolidated statement of comprehensive income (see Note 17.2).

10.2 Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as at March 31, 2022 as follows:

	(in thousands)
Current	₱9,729
Non-current	25,351
	₱35,080

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. The future cash outflows to which the Group is potentially exposed to are not reflected in the measurement of lease liabilities represent the amount of monthly rent remaining for the lease term and security deposit to be forfeited.

An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

As at March 31, 2022, the Group has no lease commitment, which had not yet commenced.

10.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to short-term leases amounted to ₱6.4 million is presented as Rentals as part of Other Operating Expenses in the consolidated statements of comprehensive income (see Note 17.2). There are no existing lease commitments for short-term leases.

10.4 Security Deposits

Refundable security deposits represent the lease deposits made to third parties for the lease of the Group's office spaces.

Related rental deposits for these leases amounted to ₱9.5 million as of March 31, 2022 and December 31, 2021 and are presented as part of the Other Assets in the consolidated statements of financial position (see Note 8).

11. INVESTMENT PROPERTIES

The Group's investment properties consist of parcels of land which is intended for capital appreciation amounting to ₱75.8 million as of March 31, 2022.

None of the Group's investment properties have generated rental income. There were also no significant directly attributable cost, purchase commitments and any restrictions as to use related to these investment properties during the reporting periods.

Management has assessed that there were no significant circumstances during the reporting periods that may indicate impairment loss on the Group's investment properties.

The fair value and other information about the measurement and disclosures related to the investment properties are presented in Note 26.3.

12. INTEREST-BEARING LOANS

Short-term and long-term interest-bearing loans and borrowings pertain to bank loans which are broken down as follows:

	(in thousands)
Current	₱3,102,210
Non-current	3,858,578
	₱6,960,788

The bank loans represent secured and unsecured loans from local commercial banks. The loans which have maturities ranging from 1 to 15 years bear annual interest rates ranging from 5.0% to 5.5%.

Interest expense incurred on these loans amounted to ₱105.9 million and ₱105.1 million for the periods ended March 31, 2022 and 2021, respectively. These are presented as part of Finance cost in the consolidated statements of comprehensive income.

There are no outstanding interest payable as of March 31, 2022 related to these loans.

The loans are net of debt issue cost amounting to ₱41.2 million as of March 31, 2022. The amortization of debt issue cost amounting to ₱12.6 million, is presented as part of Finance Cost under Other Income (Charges) section in the consolidated statements of comprehensive income.

Certain loans of the Group are secured by contract receivables with a carrying amount of ₱2,837.0 million as of March 31, 2022 (see Note 6.1 and 25.2).

13. TRADE AND OTHER PAYABLES AND RAWLAND PAYABLE

13.1 Trade and Other Payables

This account consists of:

	(in thousands)
Trade payables	₱546,203
Accrued expenses	538,946
Deferred output tax	241,656
Retention payable	87,470
Commission payable	68,248
VAT payable	6,989
Withholding taxes payable	5,513
Other payables	1,555
	₱1,496,580

Trade payables comprise mainly of liabilities to suppliers and contractors arising from the construction and development of the Group's real estate properties.

Accrued expenses pertain to accruals of professional fees, salaries and other employee benefits, utilities, advertising, marketing and other administrative expenses.

Deferred output tax is the portion of VAT attributable to outstanding contract receivables. This is reversed upon payment of monthly amortization from customers.

Retention payable pertains to the amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are remitted to the contractors.

Commission payable refers to the liabilities of the Group as of the end of the reporting periods to its sales agents for every sale that already reached the revenue recognition threshold of the Group.

13.2 Rawland Payables

Rawland payables pertain to the amount of outstanding liability regarding the acquisitions of raw land from third parties, which will be used in the development of the Group's subdivision and memorial lots projects.

The Group purchased various rawlands for expansion and development of the Group's subdivision and memorial lots projects. The outstanding balance arising from these transactions amounted to ₱822.3 million and ₱838.1 million as of March 31, 2022 and December 31, 2021, respectively.

14. CUSTOMERS' DEPOSITS

Customers' deposits pertain to reservation fees and advance payments from buyers, which did not meet the revenue recognition criteria as of the end of the reporting periods. As of March 31, 2021, Customers' Deposits account, as presented in the current liabilities section of the consolidated statements of financial position, amounted to ₱2,742.6 million (see Note 2.12).

15. RESERVE FOR PERPETUAL CARE

Under the terms of the contract between the Group and the purchasers of memorial lots, a portion of the amount paid by the purchasers is set aside as Perpetual Care Fund (Trust Fund). The balance of the reserve for perpetual care for memorial lots as of March 31, 2022 and December 31, 2021 amounted to ₱880.9 million and ₱872.4 million, respectively, represents the total amount of perpetual care from all outstanding sales contracts, net of amount already remitted for fully collected memorial lots into the Trust Fund.

As an industry practice, the amount turned over to the Trust Fund is only for fully collected contracts in as much as the outstanding contracts may still be forfeited and/or rescinded. The income earned from the Trust Fund will be used in the perpetual care and maintenance of the memorial lots. Once placed in the Trust Fund, the assets, liabilities, income and expense of the Trust Fund are considered distinct and separate from the assets and liabilities of the Group, thus, do not form part of the accounts of the Group.

16. REVENUES

16.1 Disaggregation of Revenues

The Group derives revenues from sale of real properties and deathcare operations. An analysis of the Group's major sources of revenues for the period ended March 31, 2022 is presented below and in the succeeding page.

	Segments		
	Death Care	**Residential**	**Total**
Geographical areas			
Luzon	₱109,826	₱902,442	₱1,012,268
Visayas	60,761	8,378	69,139
Mindanao	63,921	401,832	465,753
	₱234,508	₱1,312,652	₱1,547,160

16.2 Contract Assets

The Group recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period.

Changes in the contract assets are recognized by the Group when a right to receive payment is already established and upon performance of unsatisfied performance obligation.

16.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Prepaid commission under Other Current Assets in the consolidated statements of financial position (see Note 8). These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization is presented as part of Commission under Operating Expenses (see Note 17.2).

17. COSTS AND EXPENSES

17.1 Costs of Sales and Services

Presented below are the details of costs of sale and services.

	(in thousands)
Cost of real estate sales	₱716,382
Cost of interment	6,166
Cost of chapel services	3,224
	₱725,772

Cost of real estate sales is comprised of:

	(in thousands)
Cost of land	₱242,493
Construction and development costs	473,889
	₱716,382

17.2 Operating expenses by nature

The details of operating expenses by nature for the period ended March 31, 2022 is shown below.

	(in thousands)
Salaries and wages	₱91,756
Commission	67,838
Outside services	26,246
Advertising	18,308
Depreciation and amortization	18,081
Promotions	12,138
Repairs and maintenance	9,348
Utilities	8,993
Taxes and licenses	7,698
Management fees	7,029
Prompt payment discount	6,858
Rentals	6,430
Transportation and travel	5,768
Office supplies	2,539
Representation	2,415
Professional fees	2,408
Insurance	2,241
Collection fees	1,531
Meetings and conferences	1,305
Training and seminars Salaries and wages	173
Miscellaneous expenses	10,023
	₱309,126

Miscellaneous mainly consist of subscription dues and other fees such as registration, transfer and mortgage fees.

18. OTHER REVENUES

This account consists of:

	(in thousands)
Forfeited sales	₱45,841
Interest on past due Accounts	2,096
Transfer fee	1,673
Service Tent rental	301
Others	847
	₱50,758

Others include penalties from customers with lapsed payments, restructured accounts, and other fees collected for transactions incidental to the Group's operations such as payment for memorial garden construction fee, among others.

19. TAXES

19.1 Registration with the Board of Investments (BOI)

The BOI approved the Company's application for registration as an Expanding Developer of Economic and Low-Cost Housing Project on a Non-pioneer Status relative to its various units under its Bria Alaminos, Bria Alaminos-Pangasinan, Bria Calamba Executive and Bria General Santos in 2021, Bria Calamba Phase 2, Bria Calamba Phase 4, Bria Calmaba Phase 3, Bria Magalang, Bria Manolo Fortich, Bria Kidapawan, Bria Urdaneta, Bria Norzagaray, Bria Norzagaray Phase 2, Bria Hermosa, Bria Homes, Paniqui, Bria General Trias, Bria Trece Martires, Bria Sta. Cruz, Lumina Tanza Phase 4, Lumina Camarines Sur, Lumina Camarines Sur Classic, Lumina Dumaguete, Lumina Dumaguete 2, and Bria Flats Azure in 2020; Lumina Quezon Phase 2, Bria La Hacienda, Bria San Pablo, Lumina Gensan, Bria Flats Mykonos, Bria Flats Levitha, Bria Flats Corfu, Bria Flats Rhodes, Bria Flats Capri, Bria Sta. Maria, Bria Homes Digos, Bria Homes Tagum, Bria Flats Crimson, Bria Flats Scarlet, Bria Flats Magenta, and Lumina Classic 2B in 2019; Bria Calamba Phase 1 and 2 project in December 2018; under the Northridge Central Lane, Northridge Grove Phase 2, Northridge View, Bria Home Binangonan and Bria General Santos projects in December 2017; and, under the Lumina Tanza Phase 2, Lumina Homes San Pablo and Lumina General Trias (Phase 1 and 2) projects in December 2016.

Under the registration, the applicable rights and privileges provided in the Omnibus Investment Code of 1987 shall equally apply and benefit the BHI with certain incentives including income tax holiday (ITH) for a period of four years from the date of registration.

19.2 Current and Deferred Taxes

The components of tax expense reported in consolidated profit or loss and in consolidated other comprehensive income for the period ended March 31, 2022 follow:

	(in thousands)
Current	₱7,790
Deferred	21,202
	₱28,992

The Group is subject to the MCIT, which is computed at 1% of gross income as defined under the tax regulations, or RCIT, whichever is higher. The Group reported RCIT in 2022 and 2021 as the RCIT is higher than MCIT in such years.

In March 31 2022 and 2021, the Group claimed itemized deductions in computing for its income tax due.

20. RELATED PARTY TRANSACTIONS

20.1 Due from Related Parties

In the normal course of business, the Group grants noninterest-bearing cash advances to its parent company and other related parties, including those under common ownership, for working capital requirements, capital asset acquisition and other purposes. These advances are unsecured and generally payable in cash on demand or through offsetting arrangements with related parties.

The outstanding advances arising from these transactions amounting to ₱7.4 million and ₱13.2 million as at March 31, 2022 and December 31, 2021, is presented as Due from Related Parties account in the consolidated statements of financial position.

The movements in the Due from Related Parties account are shown below.

	(in thousands)
Balance at beginning of period	₱13,239
Payments	(5,852)
	₱7,387

Based on management's assessment, no impairment losses need to be recognized for the period ended March 31 2022 and 2021 from its receivables from related parties.

20.2 Due to Related Parties

The Group obtained short-term, unsecured, noninterest-bearing advances from related parties under common control for working capital requirements payable in cash upon demand. The outstanding balance is presented as Due to Related Parties account as at March 31, 2022 and December 31, 2021.

The movements in the Due to Related Parties account are shown below.

	(in thousands)
Balance at beginning of period	₱952,080
Advances	15,110
	₱967,190

21. EQUITY

21.1 Capital Stock

Capital stock consists of:

	Mar 31, 2022	**Dec 31, 2021**
Common		
Authorized	996,000,000	996,000,000
Par value per share	₱1.00	₱1.00
Issued shares	644,117,649	644,117,649
Value of shares issued	₱644,117,649	₱644,117,649
Preferred		
Authorized	400,000,000	400,000,000
Par value per share	₱0.01	₱0.01
Issued shares	–	–
Value of shares issued	–	–

On March 17, 2016, the SEC approved the increase in the Parent Company's authorized capital stock from P20.0 million divided into 200,000 common shares with par value of ₱100 per share to ₱1.0 billion divided into 996,000,000 common shares with par value of ₱1 per share and 400,000,000 preferred shares with par value of ₱0.01 per share.

On April 1, 2016, the Parent Company applied for the registration of its common shares with the SEC and the listing of the Parent Company's shares on the PSE.

The PSE approved the Parent Company's application for the listing of its common shares on June 8, 2016 and the SEC approved the registration of the 74,117,649 common shares of the Parent Company on June 14, 2016.

On June 3, 2016, the SEC approved the listing of the Parent Company's common shares totaling 74.1 million. The shares were initially issued at an offer price of ₱10.50 per common share. In 2021 and 2020, there were no additional issuances.

On June 29, 2016, by way of an initial public offering (IPO), sold 74,117,649 shares of its common stock at an offer price of P10.50 and generated net proceeds of approximately ₱703.0 million. The IPO resulted in the recognition of additional paid-in capital amounting to ₱628.9 million, net of IPO-related expenses amounting to ₱75.2 million.

On December 27, 2017, the Parent Company's BOD authorized the issuance of 150,000,000 common shares to CGI, a related party under common ownership, out of the unissued authorized capital stock, at a subscription price of ₱20.1 per share or an aggregate subscription price of ₱3,014.0 million.

As at March 31, 2022, there are 7 holders of the listed common shares owning at least one board lot of 100 shares. Such listed shares closed at ₱685.00 per share as of March 31, 2022

21.2 Revaluation Reserves

As of March 31, 2022, the Company has revaluation reserves which pertains to accumulated actuarial losses and gains, net of tax, due to remeasurement of post-employment defined benefit plan amounting to ₱15.0 million.

22. EARNINGS PER SHARE

The basic and diluted earnings per share were computed as follows:

	(in thousands)
Net profit	₱428,180
Divided by the number of outstanding common shares	644,118
Basic and diluted earnings per share	₱0.66

The Group has no dilutive potential common shares as at March 31, 2022, hence, diluted earnings per share equals the basic earnings per share.

23. COMMITMENTS AND CONTINGENCIES

23.1 Operating Lease Commitments

The Group has leases with terms ranging from three to five years with renewal options upon mutual written agreement between the parties, and include annual escalation in rental rates.

The total rentals from this operating lease amounted to ₱6.4 million in 2022, which is shown as Rentals under Other Operating Expenses in the consolidated statement of comprehensive income (see Note 17.2).

23.2 Others

There are other commitments and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Group's consolidated financial statements.

24. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks, unless otherwise stated, to which the Group is exposed to are described below and in the succeeding pages.
Interest Rate Risk

24.1 Interest Rate Risk

The Group has no financial instruments subject to floating interest rate, except cash in banks, which has historically shown small or measured changes in interest rates. As such, the Group's management believes that interest rate risks are not material.

24.2 Credit Risk

The Group operates under sound credit-granting criteria wherein credit policies are in place. These policies include a thorough understanding of the customer or counterparty as well as the purpose and structure of credit and its source of repayment. Credit limits are set and monitored to avoid significant concentrations to credit risk. The Group also employs credit administration activities to ensure that all facets of credit are properly maintained.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the financial assets as shown on the consolidated statements of financial position are summarized below.

	(in thousands)
Cash and cash equivalents	₱1,805,755
Contracts receivable	9,822,081
Contract assets	4,364,476
Due from related parties	7,387
Security deposits	31,666
Other receivables	50,880
	₱16,082,245

Cash in banks are insured by the Philippine Deposit Insurance Commission up to a maximum coverage of ₱0.5 million for every depositor per banking institution. Also, the Group's contracts receivable are effectively collateralized by residential houses and lots and memorial lots. Other financial assets are not secured by any collateral or other credit enhancements.

The Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all contract receivables and other receivables. To measure the expected credit losses, contract receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than contract receivables and have substantially the same risk characteristics as the contract receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The management determined that there is no required ECL to be recognized on the Group's contract receivables since the fair value of real estate sold when reacquired is sufficient to cover the unpaid outstanding balance of the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient. Accordingly, no additional allowance was recorded by the Group as of March 31, 2022 and 2021.

The Contract Asset account is secured to the extent of the fair value of the real estate sale of house and lot and condominium units sold since the title to the real estate properties remains with the Group until the contract assets or receivables are fully collected. Therefore, there is also no expected loss given default on the contract asset.

The Group considers credit enhancements in determining the expected credit loss. Contract receivables and contract assets from real estate sales are collateralized by the real properties. The estimated fair value of collateral and other security enhancements held against trade receivables are presented below.

	Gross Maximum Exposure	**Fair Value of Collaterals**	**Net Exposure**
Contract receivables	₱9,822,081	₱9,822,081	₱–
Contract assets	4,364,476	4,364,476	–
	₱14,186,557	₱14,186,557	₱–

As of March 31, 2022, the aging of receivables is as follows:

(In Thousands)	Current	Within 90 days	91-180 days	181-360 days	Over 1Year	Total
Contracts receivable	₱6,285,008	₱1,082,156	₱1,187,764	₱538,297	₱728,856	₱9,822,081
Due from related parties	7,387	–	–	–	–	7,387
Other receivables	50,880	–	–	–	–	50,880
Total	₱6,343,275	₱1,082,156	₱1,187,764	₱538,297	₱728,856	₱9,880,348

ECL for due from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties.

The Group does not consider any significant risks in the due from related parties as these are entities whose credit risks for liquid funds are considered negligible, since counterparties are in good financial condition. As of March 31, 2022, impairment allowance is not material.

Security deposits are subject to credit risk. The Group's security deposits pertain to receivable from lessors and third party utility providers. Based on the reputation of those counterparties, management considers that these deposits will be refunded when due.

24.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

As of March 31, 2022, the Group's financial liabilities have contractual maturities which are presented below.

	Within 12 Months	More than One Year to Five Years
Trade and other payables	₱1,242,422	₱–
Rawland payable	822,307	–
Interest-bearing loans and borrowings	3,102,210	3,858,578
Due to related parties	967,190	–
Lease liability	9,729	25,351
Reserve for perpetual care	–	880,908
	₱6,143,858	₱4,764,837

25. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

25.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

	Notes	**Carrying Values**	**Fair Values**
		(in thousands)	
Financial Assets			
At amortized cost:			
Cash and cash equivalents	5	₱1,805,755	₱1,805,755
Contracts receivables	6	9,822,081	9,822,081
Due from related parties	20.1	7,387	7,387
Security deposits	8	31,666	31,666
Other Receivables		50,880	50,880
		₱11,717,769	₱11,717,769

	Notes	Carrying Values	Fair Values
		(in thousands)	
Financial Liabilities			
At amortized cost:			
Interest-bearing loans	12	6,960,788	6,960,788
Trade and other payables	13	1,242,422	1,242,422
Rawland payables	13	822,307	822,307
Lease liability	10	35,080	35,080
Reserve for perpetual care	15	880,908	880,908
		9,941,505	9,941,505

See Note 2.5 for a description of the accounting policies for each category of financial instrument. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 24.

25.2 Offsetting of Financial Assets and Financial Liabilities

Except as more fully described in Note 20, the Group has not set-off financial instruments and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 20 can be potentially offset to the extent of their corresponding outstanding balances.

26. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.1 Fair Value Hierarchy

In accordance with PFRS 13, Fair Value Measurement, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

26.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The Group's financial assets which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed include cash and cash equivalents, which are categorized as Level 1, and contract and other receivables, due from related parties and security deposits which are categorized as Level 3. Financial liabilities which are not measured at fair value but for which fair value is disclosed pertain to interest-bearing loans and borrowings, trade and other payables, due from related parties, rawland payable, and reserve for perpetual care which are categorized as Level 3.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data.

26.3 Fair Value Measurement for Non-financial Assets

The Group's investment properties amounting to ₱75.8 million are categorized under level 3 hierarchy of non-financial assets measured at cost as of March 31, 2022 (see Note 11).

The fair value of the Group's investment properties, pertaining to parcels of land, amounting to ₱508.3 million as of March 31, 2022, are determined on the basis of the appraisals performed by an independent appraiser, respectively, with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's non-financial assets indicated above is their current use.

The Group determines the fair value of idle properties through appraisals by independent valuation specialists using market – based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

The level 3 fair value of land was determined based on the observable recent prices of the reference properties, adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

27. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the carrying amount of equity as presented in the consolidated statements of financial position. Capital for the reporting periods under review is summarized as follows:

	(in thousands)
Total interest-bearing loans	₱6,960,788
Total adjusted equity	11,811,960
Debt-to-equity ratio	0.59:1.00

Financial Soundness Indicator

Below are the financial ratios that are relevant to the Company for the period ended March 31, 2022 and 2021.

		31-Mar-22	**2021**
Liquidity:			
Current Ratio	Current Assets/Current Liability	2.66:1	2.52:1
Solvency:			
Solvency ratio	EBITDA / Total debt (Total debt includes interest bearing loans and borrowings)	0.08:1	0.08:1
Total Liabilities-to-Equity Ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings)	0.59:1	0.60:1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	2.27:1	2.36:1

		31-Mar-22	**31-Mar-21**
Interest-rate-coverage:			
Interest-rate-coverage ratio	Profit Before Tax and Interest/Finance Costs (Including capitalized interest)	5.32:1	4.84:1
Profitability:			
Return-on-equity	Net profit / Average total equity	15%	4%

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS COVERING 3-MONTHS OF 2022 VS. 3-MONTHS OF 2021

Revenues

The revenues of the Company increased from **₱1,538.7 million** for the 3-months ended March 31, 2021 to **₱1,547.2 million** for the 3-months ended March 31, 2022**.** This was primarily attributable to the following:

- **Real estate sales**
  Real estate sales of the group increased to **₱1,479.4 million** for the 3-months of 2022 from **₱1,475.7 million** in the same period in 2021. This was due mainly to a increase in the sale of memorial lots for Golden Haven.

- **Interest income on contract receivables**
  Income from interest on contract receivables were recorded at **₱43.5 million** in 3-months of 2022, increasing by **10%** compared to **₱39.7 million** in 3-months of 2021. This was due to the increase in-house financed transactions made in 3-months of 2022 compared to3-months of 2021.

- **Interment income**
  There was 11% increase in income from interment services, to ₱16.6 million in 3-months of 2022 from ₱14.9 million in the same period in 2021. This was attributable to the increase in the number of services rendered in 3-months of 2022, compared to the same period in 2021.

- **Income from chapel services**
  Income from chapel services decreased by **9%**, to **₱7.7 million**, from **₱8.4 million**, due to the decrease in the number of memorial chapel services and rendered in 3-months of 2022, compared to the same period in 2021.

Costs and Expenses

Cost and expenses decreased to **₱1,034.9 million** in 3-months ended March 31, 2022, from **₱1,064.7 million** for period ended March 31, 2021. The **3%** decrease was primarily attributable to the following:

- **Cost of sales and services**
  The cost of sales and services decreased by **4%**, to **₱725.8 million** in 3-months of 2022, from **₱759.4 million** in 3-months 2021, due to the lower number of memorial lots and columbarium vaults sold by Golden Haven, and residential units sold by Bria Homes in the 3-months 2022 compared to the same period previous year.

- **Other operating expenses**
  A **1%** increase in other operating expenses, to **₱309.1 million** in 3-months of 2022 from **₱305.3 million** in 3-months of 2021, due primarily to increase in salaries and wages, outside service, commissions and promotions for the period.

Other Charges - Net

Other charges - net decreased to **₱55.1 million** in the 3-months of 2022, from **₱69.9 million** in 3-months of 2021. The **21%** decrease was mainly attributable to an increase in other revenues for the period.

Tax Expense
The Company's tax expense increased by **21%,** to **₱29.0 million** for 3-months of 2022 from **₱23.9 million** for 3-months of 2021 primarily due to a higher taxable base for the period.

Net Income
As a result of the movements above, total net profits increased by **13%**, to **₱428.2 million** in 3-months of 2022 from **₱380.2 million** recorded in 3-months of 2021.

For the 3-months of 2022, except as discussed in Note 1.2 of the 2021 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Group. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Group's continuing operations.

FINANCIAL CONDITION AS OF MARCH 31, 2022 VS. DECEMBER 31, 2021

The Group's total assets were recorded at **₱26,802.8 million** as of March 31, 2022, slightly lower compared to the **₱26,825.8 million** recorded as of December 31, 2021. This increase was due to the following movements:

- Cash and cash equivalents decreased by **6%**, from **₱1,924.3 million** as of December 31, 2021, to **₱1,805.8 million** as of March 31, 2022, due to payments made by the Company during the period .

- Total contracts receivable and contract assets, including non-current, increased by **5%** from **₱13,551.9 million** as of December 31, 2021, to **₱14,186.6 million** as of March 31, 2022 due to sales on account recorded over the period.

- Other receivables decreased by **5%** from **₱2,355.1 million** as of December 31, 2021, to **₱2,240.3 million** as of March 31, 2022 due primarily to the decrease in advances to contractors.

- Due from related parties decreased by **44%** from **₱13.2 million** as of December 31, 2021, to **₱7.4 million** as of March 31, 2022 due payments of advances made to related parties.

- Real Estate inventories decreased by **6%** from **₱7,291.4 million** as of December 31, 2021, to **₱6,868.7 million** as of March 31, 2022 due to real estate sales for the period.

The Group's total liabilities were recorded at **₱14,990.8 million** as of March 31, 2022, slightly lower compared to the **₱15,442.1 million** recorded as of December 31, 2021. This decrease was due to the following movements:

- Total interest-bearing loans, including non-current, increased by **2%**, from **₱6,825.3 million** as of December 31, 2021 to **₱6,960.8 million** as of March 31 2022, due to new availments made by the Group during the period.

- Trade and other payables decreased by **30%**, from **₱2,146.6 million** as of December 31, 2021 to **₱1,496.6 million** as of March 31, 2022 due to payments made by the Company during the period.

- Income tax payable increased by **57%**, from **₱13.7 million** as of December 31, 2021 to **₱21.5 million** as of March 31, 2022 primarily due to the current tax expense incurred during the period.

Total stockholder's equity increased by **4%** or by **₱428.2 million** from **₱11,383.8 million** as of December 31, 2021 to **₱11,812.0 million** as of March 31, 2022, due to an increase in retained earnings by **6%,** from **₱7,784.5 million** in December 31, 2021, to **₱8,212.6 million** as of March 31, 2022, coming from the net income earned during the period.

MATERIAL CHANGES TO THE GROUP'S STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2022 COMPARED TO DECEMBER 31, 2021 (INCREASE/DECREASE OF 5% OR MORE)

- Cash and cash equivalents decreased by **₱118.6 million**, or **6%**, from **₱1,924.3 million** as of December 31, 2021, to **₱1,805.8 million** as of March 31, 2022, due to payments made by the Company during the period.

- Total contracts receivable and contract assets, including non-current, increased by **₱634.6 million,** or **5%** from **₱13,551.9 million** as of December 31, 2021, to **₱14,186.6 million** as of March 31, 2022 due to sales on account recorded over the period.

- Due from related parties decreased by **₱5.9 million**, or **44%,** from **₱13.2 million** as of December 31, 2021 to **₱7.4 million** as of March 31, 2022 due primarily to payments of advances made to related parties.

- Other receivables decreased by **₱114.8 million,** or **5%** from **₱2,355.1 million** as of December 31, 2021, to **₱2,240.3 million** as of March 31, 2022 due primarily to the decrease in advances to contractors.

- Real Estate inventories decreased by **₱422.7 million,** or **6%** from **₱7,291.4 million** as of December 31, 2021, to **₱6,868.7 million** as of March 31, 2022 due to real estate sales for the period.

- Trade and other payables decreased by **₱650.1 million,** or **30%**, from **₱2,146.6 million** as of December 31, 2021 to **₱1,496.6 million** as of March 31, 2022 due to payments made by the Company during the period.

- Income tax payable increased by **₱7.8 million**, or **57%**, from **₱13.7 million** as of December 31, 2021 to **₱21.5 million** as of March 31,2022 primarily due to the delayed payment in the full year income tax due. Full year income tax payable were paid last April 18, 2022.

- Total stockholder's equity increased by **₱428.2 million** or **4%** from **₱11,383.8 million** as of December 31, 2021 to **₱11,812.0 million** as of March 31, 2022, due mostly to an increase in retained earnings by **6%,** from **₱7,784.4.5 million** in December 31, 2021, to **₱8,212.6 million** as of March 31, 2022, due to net income earned during the period.

MATERIAL CHANGES TO THE GROUP'S STATEMENT OF INCOME FOR THE 3-MONTHS OF 2022 COMPARED TO THE 3-MONTHS OF 2021 (INCREASE/DECREASE OF 5% OR MORE)

- Interest income on contract receivables increased by **₱3.8 million** or **10%**, to **₱43.5 million** in 3-months of 2022 from **₱39.7 million** in the same period in 2021. This was due to the increase on in-house financed transactions in 3-months of 2022.

- Income from interment services increased by **₱1.7 million** or **11%**, to **₱16.6 million** in 3-months of 2022 from **₱14.9 million** in the same period in 2021. This was attributable to the increase in the number of services rendered in 3-months of 2022, compared to the same period in 2021.

- Income from chapel decreased by **₱0.7 million** or **9%**, to **₱7.7 million** in 3-months of 2022 from **₱8.4 million** in 3-months of 2021 due to the decrease in the number of memorial chapel services in 3-months of 2022, compared to the same period in 2021.

- Other charges - net decreased by **₱14.8 million** or **21%**, to **₱55.1 million** in the 3-months of 2022, from **₱69.9 million** in 3-months of 2021. The decrease was mainly attributable to the increase in other revenues of the Group.

- Tax expense increased by **₱5.1 million** or **21%,** to **₱29.0 million** for 3-months of 2022 from **₱23.9 million** for 3-months of 2021. This was primarily due to a higher taxable base for the period.

- As a result of the movements above, net profit increased by **₱48.0 million** or **13%,** to **₱428.2 million** for 3-months of 2022 from **₱380.2 million** for 3-months of 2021.

For the 3-months of 2022, except as discussed in Note 1.2 of the 2022 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Group. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Group's continuing operations.

COMMITMENTS AND CONTINGENCIES

The Group is a lessee under non-cancellable operating lease agreements for its office spaces. The leases have terms ranging from three to five years with renewal options upon mutual written agreement between the parties, and include annual escalation in rental rates.

There are other commitments and contingent liabilities that arise in the normal course of the Group's operations, which are not reflected in the financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Group's financial statements.

SIGNATURE

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

GOLDEN MV HOLDINGS, INC.
Issuer

By:

MARIBETH C. TOLENTINO
President

Date: May 23, 2022

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ANA MARIE V. PAGSIBIGAN**, Filipino, of legal age and a resident of **21 Matungao Bulacan, Bulacan**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of **Golden MV Holdings, Inc.**

2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
Primerose Properties Development, Inc.	Legal Counsel	2011 – Present
SEDAS Security Specialists	Corporate Secretary	2019 - Present
Reed Steel Fabricators, Inc.	Legal Counsel	2017 – Present
Goldmine Realty Development Corp	Legal Counsel	2019 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of **Golden MV Holdings, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the Corporate Secretary of **Golden MV Holdings, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Signed this _____ day of MAY 1 8 2022 _____ 2022.

ANA MARIE V. PAGSIBIGAN
Affiant

SUBSCRIBED AND SWORN to before me this MAY 1 8 2022 _____ at MANDALUYONG CITY _____, affiant personally appeared before me and exhibited to me his TIN 130-342-324.

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ATTY. ARBIN OMAR P. CARINO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2022
ROLL No. 67 149
IBP Lifetime Member No. 010537
PTR No. 4871170 [illegible] Mandaluyong City
MCLE Compliance No. [illegible] Series of 2019 11 April 2019
Notarial Commission [illegible] No. 0309-21
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **GARTH F. CASTAÑEDA**, Filipino, of legal age and a resident of **The Amaryllis Condominium 12th St. cor. E. Rodriguez Ave. New Manila, Quezon City**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of **Golden MV Holdings, Inc.**

2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
SYMECS LAW	Partner	2010 – Present
Metro Pacific Foundation, Inc.	Corporate Secretary / Director	2017 - Present
Metro Pacific Land Holdings, Inc.	President / Chairman	2017 - Present
Neo Oracle Holdings, Inc.	Corporate Secretary / Director	2017 - Present
Prudentialife Plans, Inc.'s Trust Fund Assets	Co-Liquidator	2012 – Present
Collab Asia Philippines, Inc.	Corporate Secretary	2021 - Present
Premier Island Power REIT Corporation	Chairman and Independent Director	2022 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of **Golden MV Holdings, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the corporate secretary of **Golden MV Holdings, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Signed this MAY 18 2022 day of _____ 2022.

GARTH F. CASTAÑEDA
Affiant

SUBSCRIBED AND SWORN to before me this MAY 18 2022 at MANDALUYONG CITY, affiant personally appeared before me and exhibited to me his TIN 248-536-734.

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Book No. XX
Series of 2022.

ATTY. ARBIN OMAR P. CARIÑO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2022
ROLL No. 57138
IBP Lifetime Member No. 016697
PTR No. 4671170 / 01 Jan. 2022 / Mandaluyong City
MCLE Compliance No. VI-0026941 Issued on 11 April 2019
Notarial Commission Appointment No. 0308-21
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

CERTIFICATION

Golden MV Holdings, Inc. (the "**Company**") hereby certifies that except for Ms. Camille A. Villar and Atty. Ana Marie V. Pagsibigan, none of the directors and officers of the Company named in the Information Statement for the Annual Meeting of its shareholders for the year 2022 works in the government as of the date hereof.

Ms. Villar is currently a duly elected Congresswoman, representing Las Piñas City. She is not disqualified from being, and does not require any consent or approval to serve as, a director of the Company on account of her position.

Atty. Pagsibigan has been elected councilor of the Municipality of Bulakan, Bulacan and will assume office on 30 June 2022. She is not disqualified from being, and does not require any consent or approval to serve as an independent director of the Company on account of her position.

Issued this 16 June 2022.

GOLDEN MV HOLDINGS, INC.

By:

MILES M. TERETIT