COVER SHEET

3 6 1 9 0
S.E.C. Registration Number

O M I C O   C O R P O R A T I O N

(Company's Full Name)

S U I T E   1 1 0 9   E A S T   T O W E R   T E K T I T E
T O W E R S   O R T I G A S   C T R   P A S I G   C I T Y
(Business Address : No. Street City / Town / Province)

JUANA LOURDES M. BUYSON	8637-6923 & 8637-6924
Contact Person	Company Telephone Number

ANNUAL REPORT FOR 2021

1 2	3 1	**1 7 - A**	0 5	
Month	*Day*	FORM TYPE	*Month*	*Day*
Fiscal Year			Annual Meeting (Last Friday)	

Secondary License Type, If Applicable

M S R D
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

2 8 6 5 as of December 31, 2021	N O N E	N O N E
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 177 OF THE REVISED CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended ………………………………. **December 31, 2021**

2. SEC Identification Number **36190** 3. BIR Tax ID No. **000-483-136**

4. Exact Name of issuer as specified in its charter:

OMICO CORPORATION

5. **PHILIPPINES**
Province, Country or other jurisdiction of incorporation, or organization

6. (SEC Use only)
Industry Classification Code:

7. **Suite 1109 East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City**
Address of principal office

1605
Postal Code

8. **(02) 86376923 & 86376924**
Issuer's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, PhP1par value	**1,050,461,673 as at December 31, 2021**

11. Are any or all of these securities listed on a Stock Exchange?
Yes (x) No ( )

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange - **Common Stock**

12. Check whether the issuer:

a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 25 and 177 of The Revised Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);
Yes (x) No ( )

b) has been subject to such filing requirements for the past ninety (90) days.
Yes (x) No ( )

13. The aggregate market value of voting stock held by non-affiliates for 902,016,823 shares as of December 31, 2021, computed based on the closing price of PhP0.345 per share as of December 31, 2021, is PhP311,195,803.94.

TABLE OF CONTENTS

PART 1 - BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

a) *Description of Business*

1) Business Development

i) Omico Corporation (the "Parent Company or the "Company" or "Omico") was incorporated in the Philippines and was registered with the Securities and Exchange Commission ("SEC") on August 30, 1968. Its corporate term was extended to another fifty (50) years from and after the date of expiration of its first fifty (50)-year term on August 29, 2018, as per SEC Certificate of Filing of Amended Articles of Incorporation dated October 21, 2015. It holds 100% interest both in Omico Kapital Corporation and Omico Mining Inc. *(formerly Omico-Ivanhoe Mining Inc).* The Parent Company listed its shares of stock in the Philippine Stock Exchange ("PSE") on May 2, 1969.

The Company's main business activities are mining exploration and property development. It is licensed to operate, prospect, mine, and deal with all kinds of ores, metals and minerals.

The mining exploration segment is engaged in the exploration activities of mine site while the property development segment is engaged in the marketing and sale of real estate and evaluation of future development of other real estate properties.

The registered office of the Company is located at Suite 1109 East Tower, Tektite Towers (Formerly: PSE Centre), Exchange Road, Ortigas Center, Pasig City. Omico Corporation has no ultimate Parent Company.

ii) The Company has no bankruptcy, receivership or any similar proceedings.

iii) No material reclassification, merger, consolidation, or purchase of a significant amount of assets not in the ordinary course of business occurred during the year 2021.

2) Business of Issuer

i) Principal products, markets and revenue contribution

The Company previously held a mining agreement with Macawiwili Gold Mining and Development Co., Inc. ("Macawiwili") to operate and mine on several claim blocks located within the Baguio Gold District, in the municipality of Itogon, Benguet. The agreement which was signed on September 30, 1968 and extended on January 10, 1996 is effective until January 10, 2021. By virtue of Mineral Production and Sharing Agreement ("MPSA") issued by the Department of Environment and Natural Resources ("DENR") in 2009, the Company and its subsidiary, Omico Mining, Inc., subsequently commenced exploration works involving geologic mapping, geophysical survey and sampling. Cumulatively, total capitalized exploration and evaluation cost amounted to PhP194.82Million as of August 29, 2012.

On August 29, 2012, the Company executed a Termination of Mining Agreement with Macawiwili wherein the Company is relinquishing all its rights and obligations under the mining agreement including the MPSA. In exchange for the Company's relinquishment of its rights and obligation in the aforesaid agreements, Macawiwili reimbursed the Company the amount of Twenty Five Million Pesos (PhP25,000,000) in cash for expenses incurred in the exploration, drilling and upkeep of the mine site. With this Agreement, the Company has given the reins in managing the project to Macawiwili but remains an active minority investor in the venture.

Management decided to terminate the mining agreement with Macawiwili because Management would like to focus on other mining prospects/projects.

The Company is still interested in investing in mining and is scouting for other mining projects to explore, manage, operate or invest either solely or in partnership with other entities.

The Company has also expanded its business scope and diversified its operations into property investment, development of low-cost subdivision housing units and investment in joint venture projects with the Company as landowner and the JV partner as developer. The development of the housing subdivision located in Sta. Rosa, Nueva Ecija is in process and the Company is engaged in the marketing and sale of these housing units. The development of the joint venture condominium residential project with Robinsons Land Corporation ("RLC") located in Tagaytay City has been completed.

ii) Percentage of revenues and net income contributed by foreign markets
There were no revenues and net income contributed by foreign markets for the each of the last three (3) fiscal years.

iii) Marketing
For the Company's Sta. Rosa Homes project located in Brgy. Lourdes, Sta. Rosa, Nueva Ecija, the housing units are sold by in-house agents and independent brokers. For the joint venture residential project with RLC located in Tagaytay City, RLC handles the management, marketing and general operation of the project.

iv) Status of publicly announced new product or service
There's no publicly announced new product or service by the Company.

v) Competition
Among several housing projects in Nueva Ecija, the closest competitors which have the same category as the Sta. Rosa Homes being a low-priced mass housing project are Lamarville and Primavera Homes. The Company is able to compete through its commitment to offer affordable house and lot packages for a well-planned project with good location and accessibility to transportation facilities and commercial centers.

vi) Sources and availability of raw materials
Construction and other materials needed for the Sta Rosa Homes project located in Brgy. Lourdes, Sta. Rosa Nueva Ecija are sourced and available locally. The Company does not have any major existing supply contracts.

vii) Dependence on major customers
The Company is not dependent on major customers for its real estate projects. The Company does not have any major existing sales contracts.

viii) Transaction with and/or dependence on related parties
The Parent Company's cash advances from its subsidiary in previous years shown as Due to a Subsidiary in the Parent Company's statements of financial position. The outstanding balance amounted to PhP221,084,873 as of December 31, 2021, 2020 and 2019. These borrowings from the subsidiary are non-interest bearing and payable on demand.

The Parent Company's advances to its subsidiaries represent cash advances for subsidiaries' operating expenses paid by the Parent Company. These advances are shown as part of Receivables in the Parent Company's statements of financial position. The outstanding balance amounted to PhP6,681,801, PhP6,641,032 and PhP6,565,574 as of December 31, 2021, 2020 and 2019, respectively.

ix) Patents, trademarks, copyrights, licenses, franchises, concessions
The Housing and Land Use Regulatory Board ("HLURB") has issued five (5) License to Sell and the corresponding certificates of registration covering Phase 1 to 5 of the Company's Sta. Rosa Homes project located in Brgy. Lourdes, Sta. Rosa, Nueva Ecija. The Municipality

of Sta. Rosa, Nueva Ecija approved the subdivision plan and issued the required locational clearance and development permit for said housing project on February 06, 1997.

x) Need for any government approval of principal products or services
As a real estate developer, the subdivision plans for residential and other development projects are subject to approval by the relevant local government unit in which the project is situated. The development of subdivision projects can commence only after the issuance of a locational clearance and development permit by the relevant government body. Further, all subdivision project plans are required to be filed with and approved by HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Subdivision units may be sold or offered for sale only after a license to sell and a certificate of registration have been issued by the HLURB.

xi) Effect of existing or probable governmental regulations on the business
As a mining company, Omico is subject to governmental regulations on its activities principally, the rules and regulations of Republic Act 7942, otherwise known as the Philippine Mining Act of 1995 of which the implementing agency is the Department of Environment and Natural Resources ("DENR").

As a property development firm, the Company is subject to rules and regulations emanating from various laws with the HLURB as the main implementing agency together with the DENR for the environmental aspect and the Department of Agriculture for the conversion clearance, if agricultural land is involved, and the Department of Agrarian Reform for the order/approval on land use conversion.

xii) Research and Development
The Company incurs minimal amounts for research and development activities which do not amount to a significant percentage of revenues.

xiii) Cost and effects of compliance with the environmental laws
For the Company's Sta. Rosa Homes project and the Brgy. Pinmaludpod, Urdaneta City, Pangasinan property wherein the Company had obtained the Environmental Compliance Certificate ("ECC") from the DENR, the Company has consistently complied with the conditions set in the ECC and with the environmental laws and regulations of the DENR.

xv) Total Number of Employees
As of year-end 2021, the Company's total number of employees is ten (10) – Management (3), Operations (3) and Administrative (4) - all of whom are full-time employees. The Company does not anticipate the hiring of additional employees within the ensuing twelve (12) months. The employees do not have any Collective Bargaining Agreement. The Company's employees are not on strike or have been in the past three (3) years or are threatening to strike. The Company has no supplemental benefits or incentive arrangements with its employees.

xvi) Major risk/s involved in each of the businesses of the company and subsidiaries

Mining Operation Risks
By its nature, the business of mineral exploration contains risks. For its part, exploration is a speculative endeavor and can be hampered by the unpredictable nature of mineral deposits, particularly with respect to predicated extrapolations to depth from known mineralization, and adverse ground conditions, flooding, inclement weather, poor equipment availability, force majeure circumstances and cost overruns from unforeseen events. Resource estimates themselves are necessarily imprecise and depend upon interpretations that can prove to be inaccurate. Any future successful mining operation will depend on exploration success, mineral resource calculations, appropriate economic circumstances, ore reserve calculations, successful statutory planning approvals, mine design and the construction of efficient processing facilities, competent operation and management and efficient financial management.

Any future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

Real Estate Operation Risks
The Company's real estate operation may be affected by factors, including, but not limited to the following:

- Failure to secure the necessary permits for development;
- Failure to finish the development due to disagreement with the contractor or the developer;
- Failure to sell the constructed/ finished development due to product acceptance, sudden economic downturn, or political instability;
- Disruption and limitations in business activities due to the effect of COVID-19 pandemic on the health and safety of the Company employees, workers, customers, suppliers, shareholders and other stakeholders and the implementation by the Government of preventive measures to contain and prevent the spread of COVID-19 such as community quarantine and travel restrictions and delay in completion and delivery of residential housing units for our Santa Rosa Homes Project located in Sta. Rosa, Nueva Ecija due to supply chain interruptions in case of localized lockdown; and
- Delay in the implementation of planned development of new projects.

The Board of Directors, the Audit Committee and Management of the Company meet regularly to identify key risk areas and performance indicators and monitor these factors with due diligence and to assess and manage risks involved in the businesses of the Company.

b) Additional requirements as to certain issues or issuer

1) Debt Issues
   Not applicable
2) Investment Company Securities
   Not applicable
3) Mining and oil companies

The Company previously held a mining agreement with Macawiwili to operate and mine on several claim blocks located within the Baguio Gold District, in the municipality of Itogon, Benguet. The agreement which was signed on September 30, 1968 and extended on January 10, 1996 is effective until January 10, 2021. On August 29, 2012, the Company executed a Termination of Mining Agreement with Macawiwili wherein the Company is relinquishing all its rights and obligations under the mining agreement including the MPSA. With this Agreement, the Company has given the reins in managing the project to Macawiwili but remains an active minority investor in the venture.

Item 2. PROPERTIES

a) Real estate properties (raw land) with 156,687 square meters, more or less, situated in Barrio of Banangan, Municipality of Sablan, Province of Benguet, with spectacular views of the Cordilleras, and as far away as Lingayen Gulf, the beaches of La Union, and the South China Sea;
b) Real estate property (raw land) with 353,162 square meters, more or less, situated in Barangay Pinmaludpod, City of Urdaneta, Province of Pangasinan of which 232,540 square meters was contributed by the Company to the joint venture project with Sta. Lucia Realty and Dev. Inc. ("Sta. Lucia Realty"), Asian Pacific Estates Development Corp. ("APEDCO") and Asian Empire Corporation ("Asian Empire");
c) Real estate property (raw land) with 42,333 square meters, more or less, situated in Barangay Mayapyap Sur, City of Cabanatuan, Province of Nueva Ecija;

d) Real estate property with an area of 14.8hectares, more or less, located in Barangay Lourdes, Municipality of Sta. Rosa, Province of Nueva Ecija, which is now being developed by the Company into a residential project named Sta. Rosa Homes with 1,157 low-cost/economic housing units;
e) Real estate property with 9,372 square meters, more or less, situated in the City of Tagaytay, of which 6,634 square meters were allotted for the joint venture project with RLC for the development of a residential condominium project named The Wellington Courtyard wherein the Company is entitled to twenty five (25) condominium units as its share in the joint venture, of which twenty two (22) units have already been sold. The Company plans to develop a commercial establishment in the remaining area consisting of 2,738 square meters;
f) Office condominium unit with an area of 170 square meters and three (3) parking slots with an area of 12.5 square meters each located at PSE Centre, Exchange Road, Ortigas Center, Pasig City; and
g) Office condominium unit with an area of 33.46 square meters located at Solare Building – Capri Oasis, Dr. Sixto Antonio Ave., Maybunga, Pasig City.

Said properties are wholly-owned by the Company. All properties mentioned above are free from any lien or encumbrances. The Company has no further commitments for any additions to its property, plant and equipment.

The Company has no lease commitments.

Item 3. LEGAL PROCEEDINGS

Omico Corp. vs. Municipality of Sto. Domingo, Nueva Ecija - Civil Case No. 66586 for a Sum of Money with Damages.

The complaint against the defendant Municipality for the recovery of the amount of PhP4,492,000.00 exclusive of interest, penalty and damages arising out of a contract entered into by the Company with the Municipality for the development of a housing project on the latter's property was filed on December 5, 1997 with the Pasig City Regional Trial Court. A decision was rendered on September 18, 2004 by Judge Librado S. Correa dismissing the case. The decision of the Pasig City Regional Trial Court was elevated by the Company's legal counsel before the Court of Appeals. On July 27, 2011, the Court of Appeals rendered a Decision partially granting the Company's appeal by ordering defendant Municipality of Sto. Domingo to pay Omico PhP4,365,266.25 representing the value of the work accomplished. The Municipality of Sto. Domingo filed a Motion for Reconsideration and on February 08, 2012, the Court of Appeals denied the same. The Municipality of Sto. Domingo elevated the matter with the Supreme Court via a Petition for Review on Certiorari on March 16, 2012. In a Resolution dated July 06, 2015, the Supreme Court denied the instant Petition and affirmed the July 27, 2011 Decision and February 8, 2012 Resolution of the Court of Appeals ordering the Municipality of Sto. Domingo to pay Omico the amount of PhP4,365,266.25 representing the value of the work accomplished by Omico. On September 29, 2015, the Supreme Court issued an Entry of Judgment for the Resolution dated July 06, 2015. On June 22, 2016, the Records of the said case were transmitted back to the Regional Trial Court of Pasig City Branch 164. The Company's legal counsel filed a Motion for Issuance of a Writ of Execution on July 21, 2016. On January 23, 2018, the service of the Writ of Execution to the Municipality of Sta. Domingo was successfully completed. Since the Municipality of Sto. Domingo has not complied with the Supreme Court Order, the Company's legal counsel filed a Petition for Sum of Money with the Commission on Audit on August 01, 2019. The Municipality filed its Answer and then the Company filed a Reply. The Case is now submitted for Resolution and the Company will file a Motion for Early Resolution.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for the matters taken up during the Annual Stockholders' Meeting held on May 28, 2021, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL OPERATION

Item 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market information

The Company's common equity is traded in the PSE. As of March 31, 2022, the total number of shares owned by the public is 902,016,823 or 85.868% of the total issued and outstanding shares of the Company of 1,050,461,673shares.

Stock price as of April 08, 2022 was at PhP0.34 per share.

The approximate number of holders of each class of common security as of March 31, 2022 is 2,865.

The high and low share prices for the first quarter 2022 and for each quarter for fiscal years 2021 and 2020 are as follows:

Quarter	High	Low
2022		
1ST	0.365	0.335
2021		
4TH	0.370	0.300
3RD	0.440	0.350
2ND	0.465	0.365
1ST	0.560	0.375
2020		
4TH	0.500	0.300
3RD	0.475	0.350
2ND	0.430	0.330
1ST	0.560	0.275

Declaration of dividends is subject to approval by the Board of Directors and/or its shareholders. There were no dividends declared during the last two fiscal years 2021 and 2020 and during the first quarter of year 2022.

Recent Sales of Unregistered Securities or Exempt Securities including Recent Issuance of Securities constituting an Exempt Transaction -

- No securities sold
- No underwriters and other purchases
- No consideration
- No exemption from Registration Claimed

Holders

As of December 31, 2021, the Company has 2,865 shareholders. The top twenty (20) shareholders are the following:

Rank	Name of Stockholder	Citizenship	Number of Shares	Percentage
1	PCD Nominee Corp.	Filipino	960,749,342	91.460%
2	PCD Nominee Corp.	Non-Filipino	33,696,416	3.208%
3	Co An	Filipino	30,000,000	2.856%
4	Dexter O. Tiu	Filipino	3,673,000	0.350%
5	Agustin G. Tiu	Filipino	3,273,000	0.312%
6	Chih Hui Li	Taiwanese	1,000,000	0.095%

7	Lucio Wong Yan	Filipino	1,000,000	0.095%
8	Tommy Kin Hing Tia	Chinese	600,000	0.057%
9	Pio R. Marcos	Filipino	560,044	0.053%
10	Horacio Rodriguez	Filipino	500,000	0.048%
11	Manuel Sy	Filipino	500,000	0.048%
12	Jandric Arvin Yao	Filipino	500,000	0.048%
13	Betty Limsin or Bernard Legarda	Filipino	400,000	0.038%
14	Santiago Javier Ranada	Filipino	360,000	0.034%
15	Helen H. Espino	Filipino	325,440	0.031%
16	Cristino Naguiat, Jr.	Filipino	300,000	0.029%
17	Romeo C. Espino	Filipino	262,500	0.025%
18	Leslie Espino	Filipino	255,000	0.024%
19	Helene Espino	Filipino	250,000	0.024%
20	Teresa Espino-Blankenhorn	Filipino	250,000	0.024%

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

For the Last two (2) Fiscal Years

Total assets decreased by 8.420% from PhP708.30Million as of December 31, 2020 to PhP648.66Million as of December 31, 2021. Total liabilities increased by 14.838% from PhP27.72Million in 2020 to PhP31.84Million in 2021. Stockholders' Equity decreased to PhP616.83Million as of December 31, 2021 from PhP680.58Million as of December 31, 2020.

Revenues for the year 2021 amounted to PhP39.51Million derived from real estate sales and investment and other income as compared to PhP33.34Million in 2020. Total cost and expenses amounted to PhP54.75Million and PhP47.31Million for the year 2021 and 2020, respectively. Net loss amounted to PhP15.24Million and PhP13.97Million for the year 2021 and 2020, respectively.

The top five (5) key performance ratios/indicators of the Company for the years ended December 31, 2021 and 2020 are as follows:

Financial Ratios:

Ratios	Formula	2021	2020
Current Ratio		26.514:1	31.919:1
	Current Assets/	444,747,708	453,316,684
	Current Liabilities	16,774,197	14,201,905
Debt to Equity Ratio		0.052:1	0.041:1
	Total Liabilities/	31,837,009	27,723,517
	Stockholders' Equity	616,825,859	680,576,503
Debt to Total Assets Ratio		0.049:1	0.039:1
	Total Liabilities/	31,837,009	27,723,517
	Total Assets	648,662,868	708,300,020
Book Value Per Share		PhP0.587	PhP0.648
	Stockholders' Equity/	616,825,859	680,576,503
	Total No. Shares	1,050,461,673	1,050,461,673
Earnings/(Loss) Per Share		(PhP.0145)	(PhP.0133)
	Net Income/ (Loss)	(15,237,734)	(13,966,911)
	Weighted Average Shares	1,050,461,673	1,050,461,673

(i) Known Trends, Events or Uncertainties Affecting Liquidity

The Company does not expect any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in a material way.

The company does not anticipate any cash flow or liquidity problems.

The company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments.

The Company is evaluating possible business ventures in which it is allowed to engage under its articles of incorporation, to invest its sizeable cash and cash equivalent to provide additional sources of revenue and maximize investor return.

(ii) Events That Will Trigger Direct or Contingent Financial Obligation

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

(iii) Material Off-Balance Sheet Transactions, Arrangements, Obligations

The Company has 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.

(iv) Capital Expenditures

There are no material commitments for capital expenditures for the next twelve months. However, the Company is evaluating possible business ventures, which may require capital expenditures.

(v) Known Trends, Events or Uncertainties Affecting Sales

The Company does not expect any trends, events or uncertainties that may have material favorable or unfavorable impact on sales or revenues.

(vi) Significant Elements of Income or Loss

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

(vii) Causes for Material Changes in the Financial Statements

Balance Sheet (Financial Position) Accounts

Decrease in Cash and Cash Equivalents - 15.381%

December 31, 2021	December 31, 2020	Increase/(Decrease)
319,410,098	377,467,602	(58,057,504)

The net decrease in Cash and Cash Equivalents is mainly due investment in marketable securities which are held for trading, disbursements for development costs on the Company's Sta. Rosa Homes project and operating expenses which was partially offset by the proceeds from the sale of Sta. Rosa Homes housing units and interest income on deposits/placements with banks.

Cash accounts with banks generally earn interest at rates based on prevailing bank deposit rates. Short-term placements can be pre-terminated at any time and have average interest rates ranging from 0.10% to 0.90% and 0.10% to 1.00% per annum in 2021 and 2020, respectively.

Increase in Financial Assets at Fair Value through Profit or Loss – 1,715.705%

December 31, 2021	December 31, 2020	Increase/(Decrease)
65,197,538	3,590,757	61,606,781

The Company's financial assets at fair value through profit or loss consist of shares of stocks of publicly listed companies which are classified as held for trading.

The Company disposed certain shares of stock which resulted to a net gain of PhP3.3million in 2021 and net loss of PhP7.47million in 2020. The Company recognized fair value loss of PhP3.7million in 2021 and fair value gain of PhP9.03million in 2020.

Increase in Receivables - Net - 12.207%

December 31, 2021	December 31, 2020	Increase/(Decrease)
21,202,123	18,895,592	2,306,531

The net increase in Receivables is mainly due to the increase in receivables on installment sales contract on the sale of Sta. Rosa Homes housing units and receivable from HDMF (Pag-IBIG Fund).

Installment contracts receivable on the sale of house and lots which pertains to Sta. Rosa Homes project are collectible in monthly installments for periods ranging from 3 to 7 years and bear an interest rate of 21% per annum computed on the diminishing balance, portion of which are covered with postdated checks.

For the years ended December 31, 2021 and 2020, interest income on installment accounts amounted to PhP1.6million and PhP1.3million, respectively.

Due from HDMF (Pag-IBIG Fund) represents portion of take-out proceeds on sale of real estate properties that were withheld in accordance with financing agreement with Home Development Mutual Fund.

Decrease in Real Estate for Sale - 28.811%

December 31, 2021	December 31, 2020	Increase/(Decrease)
35,811,261	50,304,691	(14,496,430)

The decrease in Real Estate for Sale is mainly due to the sale of Sta. Rosa Homes' housing units located in Sta. Rosa, Nueva Ecija and a condominium unit in The Wellington Courtyard, Tagaytay City, a joint venture project with RLC.

Real estate for sale, which is carried at cost, principally pertains to cost of raw land, property developments and other expenses related to construction and development of subdivision housing units. Construction and development costs include the cost of materials, labor and other related costs.

Decrease in Installment Contract Receivable – net of current portion - 6.345%

December 31, 2021	December 31, 2020	Increase/(Decrease)
14,177,842	15,138,382	(960,540)

The decrease in Installment Contract Receivable represents the decrease in the non-current portion of installment contract receivable on the sale of housing units in the Company's Sta. Rosa Homes' project.

Decrease in Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) - 91.275%

December 31, 2021	December 31, 2020	Increase/(Decrease)
4,637,090	53,150,000	(48,512,910)

The decrease in Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) is mainly due to the decrease in the valuation of the equity interest in Macawiwili Gold Mining and Development Co., Inc.

Quoted equity investments consist of golf club shares in Manila Southwoods and Tagaytay Midlands. The fair values of these assets have been determined directly by reference to published prices in an active market.

The allowance for market adjustment amounting to PhP46.43million is shown under Equity as valuation reserve on FVOCI financial assets.

Decrease in Property and Equipment – Net – 33.103%

December 31, 2021	December 31, 2020	Increase/(Decrease)
3,222,687	4,817,413	(1,594,726)

The decrease in Property and Equipment is mainly due to the provision for depreciation for the year 2021.

Increase in Accounts Payable and Accrued Expenses - 18.112%

December 31, 2021	December 31, 2020	Increase/(Decrease)
16,774,197	14,201,905	2,572,292

The increase in Accounts Payable and Accrued Expenses is mainly due to the increase in customers' advances and deposits on the sale of Sta.Rosa Homes' housing units wherein the buyers' deposits were recognized as accounts payable.

Customers' advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer.

Customers' deposits represent collections from the buyers which have not reached the minimum required percentage of collections. These deposits will be recognized as revenue when the required percentage of collection is met.

Increase in Accrued Retirement Liability - 11.398%

December 31, 2021	December 31, 2020	Increase/(Decrease)
15,062,812	13,521,612	1,541,200

The increase in Accrued Retirement Liability is mainly due to the accrual of retirement benefits for the year as required by the provisions of RA No. 7641 (Retirement Law). Under RA 7641, the Company is required to provide minimum retirement benefits to qualified employees.

Revenues and Expenses

Increase in Revenues – 18.499%

December 31, 2021	December 31, 2020	Increase/(Decrease)
39,515,396	33,346,687	6,168,709

The increase in Revenues is mainly due to the real estate sales of housing units in the Company's Sta. Rosa Homes housing project located in Sta. Rosa, Nueva Ecija and condominium unit at The Wellington Courtyard, Tagaytay City, a joint venture project with RLC.

Increase in Cost and Expenses - 15.724%

December 31, 2021	December 31, 2020	Increase/(Decrease)
54,753,130	47,313,598	7,439,532

The increase in Cost and Expenses is mainly due to the increase in cost of real estate sales, administrative and selling expenses.

(viii) Seasonal Aspects

There are no seasonal aspects that will have material effect on the Company's financial condition or results of operations.

STATUS AND PLAN OF OPERATION

The Company's main business activities are mining exploration and property development. The Company is licensed to operate, prospect, mine, and deal with all kinds of ores, metals and minerals. The Company is also engaged in the business of real estate development.

The mining exploration segment was previously engaged in the exploration activities of mine site while the property development segment is presently engaged in the marketing and sale of real estate and evaluation of future development of other real estate properties.

The Company's businesses are organized and managed separately according to the nature of products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company's business is segregated into mining exploration and property development.

MINING EXPLORATION SEGMENT

Omico-Macawiwili Mining Project

The Company previously held a mining agreement with Macawiwili to operate and mine on several claim blocks located within the Baguio Gold District, in the municipality of Itogon, Benguet. The agreement which was signed on September 30, 1968 and extended on January 10, 1996 is effective until January 10, 2021. On August 29, 2012, the Company executed a Termination of Mining Agreement with Macawiwili wherein the Company is relinquishing all its rights and obligations under the mining agreement including the MPSA. With this Agreement, the Company has given the reins in managing the project to Macawiwili but remains an active minority investor in the venture.

PROPERTY DEVELOPMENT SEGMENT

Ongoing Project – Sta. Rosa Homes, Sta. Rosa, Nueva Ecija

In December 2005, the Company launched the Sta. Rosa Homes project located in Bgy. Lourdes, Sta. Rosa, Nueva Ecija which is a 14.8-hectare residential project. When completed, the housing project will comprise 1,170 housing units with a balanced mix of single detached, single attached, duplex and rowhouse. The project will have complete community facilities which include underground drainage system, water and electrical distribution system, concrete road network, a clubhouse, parks and playgrounds. The Company is presently engaged in the marketing and selling of the housing units and the financing options available to buyers are Pag-Ibig and In-House financing.

The estimated total development cost of the Sta. Rosa Homes project is PhP395.60Million. As of December 31, 2021, the carrying value of the Sta. Rosa Homes project representing site acquisition cost, housing unit construction, initial land development costs, land use conversion expenses, permits and licenses, net of housing units sold, amounted to PhP22.14Million. With the proceeds from the stock rights offering, the Company allocated PhP110.32Million for site preparation, road construction, drainage and power distribution system, house construction, project overhead, taxes and licenses. The balance for the completion of the development of the Sta. Rosa Homes project is expected to be sourced from internally-generated funds on the sale of the housing units and from credit facility with banks. The total sale from the Sta. Rosa Homes project when completed is estimated at PhP594Milion.

As of December 31, 2021, the Company sold or received reservation payments for 1,124 units, 685 units through Pag-Ibig housing scheme and 439 units through in-house financing. The total sales contract amount of the 1,124 units is PhP595.13Million. As of December 31, 2021, total collections on the sale of housing units amounted to PhP517.58Million including HDMF loan takeout proceeds amounting to PhP302.41Million.

The Home Development Mutual Fund (commonly known as Pag-Ibig Fund) approved a budget allocation/funding commitment line of PhP44.003Million for the year 2020 for the Company as an accredited developer in the Expanded Housing Loan Program of the Pag-IBIG Fund. On April 24, 2006, the Company was granted by the Board of Investments (BOI) a certificate of registration as a “New Developer of Mass Housing Project” for the Company’s Sta. Rosa Homes project. As registrant, the Company is entitled to Income Tax Holiday (ITH) for a period of four (4) years from June 2006. The ITH expired in May 2010.

Joint Venture Project – Tagaytay City Property

On December 21, 2006, the Company entered into a Joint Venture Agreement with Robinsons Land Corporation (“RLC”), as the Developer, whereby the Company contributed three (3) parcels of land located in Tagaytay City with approximate land area of 9,372 square meters. RLC will develop a high density two-phase residential subdivision, consisting of five (5) 5-storey residential condominium buildings. Under the agreement, the Company and the Developer shall share in the development of Phase 1, consisting of 2 Medium Rise Buildings with a land area of 2,606 square meters, by dividing the saleable floor area of the Phase 1 between them, hence, the Company will be entitled to a saleable floor area of 485.04 square meters equivalent to 9 units. The development of Phase 2, consisting of 3 Medium Rise Buildings with a land area of 4,028 square meters, shall also be undertaken by the Developer.

On May 14, 2009, the Company signed the Addendum to the Joint Venture Agreement with RLC for the development of Phase 2. The Company will be entitled to a saleable floor area of 801.19 square meters which is equivalent to 16 units.

The residential project, which is located at the corner of Mahogany Avenue and Mayor’s Drive, is named The Wellington Courtyard (“TWC”). As per RLC’s development plan, the project has a country-inspired courtyard community with amenities like a main swimming pool, a reflecting pool and wading pool, and a multipurpose open court sprawled at the center for sports and special events. Each of the five (5) buildings has a western style design. As of December 31, 2019, RLC has already accomplished 100% of the construction of Building A and B of Phase 1, Building C, D and E of Phase 2 and site development and amenities.

The carrying values of the property contributed, which pertains to parcels of land net of the cost of condominium units sold, amounted to PhP13.67Million as of December 31, 2021. The Company expects to generate PhP85.13Million from the sale of the Company’s share of condominium units in Phase 1 (9 units) and Phase 2 (16 units). The development of Phase 3 or the commercial strip, which will be located in front of the residential project, shall be undertaken by the Company. RLC will have no share in Phase 3.

As of December 31, 2021, twenty two (22) condominium units out of the total allocation of twenty five (25) units have already been sold under RLC’s regular financing or lease-to-own program with a total selling price of PhP73.10Million of which PhP67.08Million were collected and remitted by RLC to the Company. Management has initiated some marketing effort, in coordination with RLC, to promote and augment the sale of the Company’s assigned condominium units.

RLC has officially announced that all unsold units, except the model unit, in TWC may now be offered under the Straight Lease-to-Own program to promote and augment the sale of the TWC condominium units. It is essentially a lease-to-own payment scheme wherein 100% of the Total Contract Price will be payable in equal monthly payments for as long as 120 months (10 years), at 0% interest. Since this is a lease-to-own scheme, ownership of the unit will not transfer to the lessee-buyer unless the unit has been fully paid. RLC is also working on strategic plans and TWC is one of RLC's core/priority projects for sell-out considering that it is already a completed project.

On March 9, 2018, the Company entered into a Termination Agreement of the Joint Venture Agreement wherein RLC will turn-over three (3) unsold condominium units, out of the twenty five (25) units assigned to the Company and shall continue to manage the six (6) remaining condominium units enrolled under the Lease-to-Own Program of RLC. On March 16, 2018, the Company entered into a Memorandum Agreement with RLC for compensation for the excess developed area in the JV project wherein RLC will assign to the Company Parking Slot No. 14 in Building C of the TWC and waive payment of prior years' real property taxes amounting to PhP96,128.26.

Joint Venture Project – Urdaneta Property, Pangasinan

On April 19, 2005, the Company entered into a Memorandum of Agreement on Property Development (the "Agreement") with Sta. Lucia Realty as developer and APEDCO and Asian Empire as co-landowners, whereby Sta. Lucia Realty will develop into residential and commercial subdivision the parcels of land situated at Pinmaludpod, Urdaneta owned by the Company and the co-landowners. For this jointly-controlled asset, the Company contributed 232,540 square meters of raw land. As part of the Agreement, Sta. Lucia is entitled to 55% of the developed saleable lots while the remaining 45% will be allocated to the Company and co-landowners. The release of the title of the developed saleable lots is subject to the terms and conditions set out in the Agreement. The carrying amount of property contributed, which pertains to the parcels of land, amounted to PhP78.97Million as of December 31, 2021. The Company expects to generate between PhP180Million to PhP200Million from the sale of the Company's share of JV lots.

On April 16, 2013, the Company filed the application for DAR Land Use Conversion ("DAR LUC") for 4.68hectares which was approved by DAR on August 22, 2013 as per DARRO Conversion Order No. 08-2013-238. On May 17, 2017, the Company filed the application for DAR LUC from agricultural to residential use for 17.17hectares and on September 22, 2017, DAR conducted an on-site inspection and verification of the additional area being applied for land use conversion. DAR required the Company to place a bond amounting to PhP10,731,250, against any premature conversion activity or development on the subject property. The cash bond is refundable upon issuance of the order of conversion or convertible into performance bond at the Company's option. On April 04, 2019, DAR issued DARCO Order No. CON-1904-1372 Series of 2019 for the Company's application for DAR LUC from agricultural to residential use for the twelve (12) parcels of land with an aggregate area of 17.17hectares located in Barangay Pinmaludpod, Urdaneta City, Pangasinan. The Company has already submitted a request to DAR for the conversion of the Cash Bond of PhP10,731,250 into a Performance Bond.

Proposed Project – Baguio Homes, Bgy. Banangan, Sablan, Benguet

The Company is considering the development of one (1) of the two (2) investment properties located in Bgy, Banangan, Municipality of Sablan, Province of Benguet. The project will be called Baguio Homes and has an area of 6.6217 hectares located on the slopes of mountainside terrain with the majestic view of the Cordilleras. The average sloping terrain is about 18% making the area ideal for a housing project. The project is designed to cater to the low-cost housing needs of Metro Baguio. When completed, it will comprise a neighborhood of one hundred sixty (160) units of socialized houses and two hundred fifty three (253) units of single attached houses. The land had already been converted in the local level from agricultural to residential use.

The project will have complete community facilities which include concrete road network, underground and open canal drainage system, water and electrical distribution system, a clubhouse, parks and playgrounds. As of December 31, 2021, the Company had already infused in the Baguio Homes project a total amount of PhP16.37Million for land acquisition, maintenance, permits and licenses.

Other Investment Properties

Pasong Tamo, Makati Property

The Company is the registered owner of two (2) parcels of land located at the corner of Pasong Tamo Extension and EDSA, Makati City, evidenced by TCT Nos. 206902 and 203760 of the Registry of Deeds for Makati City. These properties were sold by the Guevent Investments and Development Corporation (GIDC) and Honeycomb Builders Inc. (HBI) to the Company. These two properties were separated by a property owned by GIDC and HBI situated between them, indicating an intent by the parties to have these parcels of land developed together with the properties of GIDC and HBI. The parties thus entered into a Joint Venture Agreement ("JVA") in 1995 for the purpose. However, events that were not foreseen and beyond the control of the Company, including the 1997 Asian Financial Crisis, prevented the implementation of the JVA. This resulted in disputes between the parties to the JVA. GIDC threatened a civil suit demanding damages in the hundreds of millions. However, the company resisted the demand and threat and instead started negotiations for amicable settlement with GIDC. Thereafter, GIDC and HBI rescinded the JVA in 2008 and said rescission led to the filing of criminal cases against officers of the Company. However, negotiations for settlement continued between the parties. After several negotiations variously conducted spanning over a decade, the parties have come to an agreement that they must end their long-drawn dispute amicably and withdraw all cases that have been filed or initiated by GIDC and HBI against the officers of the Company. As a necessary consequence of the desire of the parties to settle their differences, the Company has agreed to sell back the subject properties upon terms mutually acceptable to both parties.

On June 10, 2017, the Company entered into a Memorandum of Agreement (MOA) and a Deed of Absolute Sale each for each of the two parcels of land, with GIDC and HBI for the sell back of the Company's two (2) parcels of land located at the corner of Pasong Tamo Extension and EDSA, Makati City, with TCT Nos. 203760 and 206902 of the Registry of Deeds of Makati City in favor GIDC and HBI for PhP177.0Million wherein the first tranche of PhP88.50Million was received in June 2017 and second tranche of PhP88.50Million in July 2017. The Company recognized a gain of PhP37.20Million from the sale transaction. The sell back is the culmination of years of negotiations to settle the disputes over the Joint Venture Agreement to develop the properties, among the parties, and free the investment of Omico Corporation for other projects.

Omico Pine Villas - Haddad Property, Sablan, Benguet

This property, which is situated in Bgy. Banangan, Muncipality of Sablan, Province of Benguet with an area of 66,846 square meters, has a spectacular view of the Cordilleras, and as far away as Lingayen Gulf, the beaches of La Union and the South China Sea. The Haddad Property is being planned as an upscale vacation and residential community in Metro Baguio and will be named the Omico Pine Villas. The Company had commissioned Belt Collins Hawaii, a design firm based in Honolulu, in the design of the master plan of the Omico Pine Villas. The property had been granted by the DENR – Cordillera Administrative Region the ECC from agricultural to residential/commercial purposes. The carrying value of the Haddad Property in the books of the Company as of December 31, 2021 is PhP37.03Million.

Cabanatuan Property

This property, which is situated in Barangay Mayapyap Sur, Cabanatuan City, Nueva Ecija and located along the Maharlika National Highway, has an area of 42,333 square meters. The property has been re-classified as residential area by the City Government of Cabanatuan. Development plans are being formulated for the property and it is beamed at the middle-income residential market. The carrying value of the Cabanatuan Property in the books of the Company as of December 31, 2021 is PhP19.20Million.

Sablan, Benguet – Belmonte Property

This property, which is situated in Dackes, Bgy. Banangan, Muncipality of Sablan, Province of Benguet and located along Naguilian Road, Baguio City has an area of 23,624 square meters. The carrying value of the Belmonte Property in the books of the Company as of December 31, 2021 is PhP3.10 Million.

Tagaytay City Property

The Tagaytay Property which is situated in Barangay Kaybagal South, Tagaytay City has an area of 2,738 square meters. This property is located in front of The Wellington Courtyard residential condominium project, a joint venture project of the Company with RLC. The Company plans to build in this area a low-rise building with 5 floors, with commercial area at the ground floor and hotel and Airbnb rooms at the second to fifth floors. The carrying value of the Tagaytay Property in the books of the Company as of December 31, 2021 is PhP12.12Million.

Item 7. FINANCIAL STATEMENTS

Please refer to the attached audited financial statements and schedules listed in the accompanying Index to Supplementary Schedules (under SEC Rule 68, as amended 2011).

Item 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

In April 2006, R. R. Tan & Associates, CPAs was designated by the Board as the independent public accountant.

No independent accountant previously engaged by the Company has resigned or has declined to stand for re-election or was dismissed or otherwise ceased performing services.

R. R. Tan & Associates, CPAs with business address at U-1705 Antel Global Corporate Center, Julia Vargas Avenue, Ortigas Center, Pasig City is being recommended for re-election at the annual stockholders' meeting to be held for the year 2022.

The representatives of R. R. Tan & Associates are expected to be present at the meeting and they will have the opportunity to make a statement if they desire to do so and such representatives are expected to be available to respond to appropriate questions.

The Company has no disagreement with R. R. Tan & Associates on any matter relating to accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

Pursuant to the General Requirements of SRC Rule 68, Section 3.b.iv (Qualifications of Independent Auditors), the external auditors shall be rotated every after five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The Company is in compliance with SRC Rule 68, Section 3.b.iv.

INFORMATION ON EXTERNAL AUDITOR

EXTERNAL AUDIT FEES (for the last two (2) fiscal years):

a) Audit and Audit-Related Fees	**2021**	**2020**
1) For the audit of the Company's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years	PhP436,287	PhP396,625
2) For other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.	-0-	-0-
b) Tax Fees		
For services for tax accounting compliance, advice, planning and any other form of tax services.	-0-	-0-
c) All other Fees		
For products and services rendered by the external auditor, other than the services reported under items (a) & (b) above.	-0-	-0-

d) The Audit Committee evaluates the performance of the external auditor and keeps under review the fees billed for the audit of the Company's financial statements.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS

Independent Directors

Name	Age	Citizenship	Position	Period Served
Albert Y. Yung	57	Filipino	Director	05.31.13-Present
John Edwin N. Co	42	Filipino	Director	05.31.13-Present

Messrs. Albert Yung and John Edwin Co were elected to serve as independent directors, pursuant to Section 38 of the Securities Regulation Code and SRC Rule 38.1.

Directors

The Directors of the Company are elected at the annual meeting of stockholders to hold office until the next annual meeting and until each respective successor shall have been elected and qualified. Each Board member serves for a term of one year or until his successor is duly elected and qualified.

The following are the incumbent directors of the Company and their business experience for the past five (5) years.

Name	Age	Citizenship	Position	Period Served
Tommy Kin Hing Tia	58	Chinese	Chairman Co-Vice-Chairman President/CEO Treasurer/ CFO	May 2013 – Present May 2010 – May 2013 January 2001 – May 2010 October1993 – January 2001
Anson Chua Tiu Co	52	Filipino	Vice-Chairman Director	May 2013 – Present November 2008 – May 2013
Anna Mei Nga Tia	57	Filipino	President/CEO Director – EVP	May 2010 – Present April 2004 – May 2010
Juan Jose Rodom T. Fetiza	56	Filipino	Director	April 2006 – Present
Angel Severino Raul B. Ilagan, Jr.	58	Filipino	Director	May 2012 – Present
Albert Y. Yung	57	Filipino	Independent Director	May 2013 – Present
John Edwin N. Co	42	Filipino	Independent Director	May 2013 – Present

Tommy Kin Hing Tia was elected as Chairman on May 31, 2013. He served as Co-Vice-Chairman from May 2010 up to May 2013 and was the President and Chief Executive Officer from January 2001 up to May 2010, after serving as Treasurer/CFO of the Company since 1993. He was formerly the Chairman of the Board of Federal Resources Investment Group Inc. (now LBC Express Holdings Inc.) from August 2007 up to April 2015. He has vast experience in equity market by serving as Managing Director of Angping & Associates Securities, Inc. until 1999. He was responsible for setting up branch's network of Angping & Associates Securities, Inc. Mr. Tia graduated from the De La Salle University-Manila with a BS degree in Computer Science.

Anson Chua Tiu Co was elected a Vice-Chairman on May 31, 2013. He joined the Board on November 07, 2008. Mr. Tiu Co has been the Vice President for Corporate Administration of San An Realty Development Corporation (Baguio City) since 2000, Head of the Human Resources Department of Coo YeeSan Hotel Plaza (Baguio City) since 2000 and General Manager of Shape Up Boxing and Fitness Gym (Baguio City) since 2003. He was the General Manager of Joffan Marketing (Pasay City) from 1995 to 2000 and General Manager of Promark Marketing (Pasay City) from 1992 to 1995. He graduated from the El Camino College in Los Angeles, California, USA with a degree in Business Management. He also obtained a degree in International Business from the University of California in Los Angeles, California, USA.

Anna Mei Nga Tia was elected as President and Chief Executive Officer on May 29, 2010. She joined the Board on April 30, 2004 and served as Executive Vice President from April 2004 up to May 2010. She was formerly the President/CEO of Federal Resources Investment Group Inc. (now LBC Express Holdings Inc.) from August 2007 up to May 2015. She is the President of Hingson Food Products since 1994 and Chairman/President of Mcdolbee Commercial Corporation. She was formerly the Managing Director of Success Remittance (HK) Limited Inc. and General Manager of Hi Tech Appliances Center. Ms. Tia graduated from the Philippine School of Business Administration with a degree in Commerce major in Marketing.

Juan Jose Rodom T. Fetiza, Director, joined the Board on April 26, 2006. He is the Head of Compliance and Audit of Asiapro Multipurpose Cooperative and Director and Vice-Chairman of Premiere Credit Cooperative. He is engaged in the private practice of law. He graduated from the University of the Philippines in 1993 with a Bachelor of Laws degree. He is also a Certified Public Accountant.

Angel Severino Raul B. Ilagan, Jr., Director, joined the Board on May 25, 2012. He is the President/Director of Firmware Corporation, Ohana Property Holdings Corporation and Ramar Management Corporation; Director of Hosaku International Corp. and Pinoygolfer Media, Inc.; and Independent Director of Riviera Sports and Country Club, Inc. He is a Senior Partner of Bernas Law Offices. He graduated from Ateneo de Manila University with a degree of Bachelor of Science, Major in Legal Management and Bachelor of Laws and has a Masters in Entrepreneurship from the Asian Institute of Management.

Albert Y. Yung, Independent Director, joined the Board on May 31, 2013. He is the Managing Director of Kyril Misora Corporation since April 2019 and formerly the Branch Manager of Cocolife, Quezon City, NCR from August 2005 up to December 2019. He was formerly an Independent Director of Federal Resources Investment Group Inc. (now LBC Express Holdings Inc.) from June 2013 up to April 2015. He graduated from the Mapua Institute of Technology with a degree of Bachelor of Architecture.

John Edwin N. Co, Independent Director, joined the Board on May 31, 2013. He is the Principal Architect of C+G Design Group, an architectural design firm, since June 2012. He was formerly an Independent Director of Federal Resources Investment Group Inc. (now LBC Express Holdings Inc.) from July 2012 up to May 2015. He graduated from the University of Santo Tomas with a degree in Bachelor of Science, major in Architecture.

Executive Officers

Officers are appointed or elected annually by the Board of Directors during its organizational meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

The incumbent executive officers of the Company are the following:

a) Tommy Kin Hing Tia - Chairman
b) Anson Chua Tiu Co - Vice Chairman
c) Anna Mei Nga Tia - President/CEO
d) Emilio S. Teng - Corporate Information Officer
e) Juana Lourdes M. Buyson - Treasurer/Compliance Officer
f) Maria Elena F. Alqueza - Corporate Secretary
g) Ma. Marry Janette M. Lescano - Asst. Corporate Secretary

Involvement in Certain Legal Proceedings

Aside from Mr. Tommy Kin Hing Tia, the Chairman, and Ms. Juana Lourdes M. Buyson, SVP-Treasurer, no other member of the Board of Directors or any other executive officer of the Corporation was involved during the past five (5) years and as of the date of filing of this report in any criminal, bankruptcy or insolvency investigations or proceedings against them.

On July 26, 2012, an Information for Obstruction of Justice under PD1829 with Criminal Case No. 468440-41-CR was filed against Mr. Tommy Kin Hing Tia and Ms. Juana Lourdes M. Buyson in the Branch 1 of the Metropolitan Trial Court ("MTC") of Manila.

This case stemmed from the informal complaint filed by Domingo Guevara in 2010 before the National Bureau of Investigation ("NBI") against the Board of Omico relative to the shelved Makati joint venture project with the Guevaras. In connection with their investigation, the NBI requested for documents related to Omico's increase in paid up capital in 1996. Omico submitted to the NBI the SEC Certificate of Increase of Capital Stock dated September 06, 1996 including the list of the sixteen (16) private placement investors consisting of individuals and stock brokers. Despite our submission of the said list, the NBI insisted that we submit a list of all individual investors, a list which is not in our possession and over which we do not have knowledge of.

On September 17, 2012, Omico, through Omico's legal counsel, received the Order dated August 28, 2012 from the MTC, Branch 1, Manila on Criminal Case No. 468440-41-CR dismissing the complaint for Obstruction of Justice under PD1829 filed against Mr. Tia and Ms. Buyson. A Motion for Reconsideration of the Order dismissing the complaint was likewise denied by the Court in its Resolution dated 19 November 2012. On February 25, 2013, an Order to submit comments was received from the Regional Trial Court ("RTC") of Manila, NCR, Branch 19 dated February 22, 2013 relative to the filing of a Petition for Certiorari with the said RTC. The RTC, in its Decision dated July 08, 2013, granted the Petition and ordered the reinstatement in the docket of the respondent court. Omico's legal counsel then filed a Motion for Reconsideration on August 02, 2013. On December 2, 2013 Omico received the Resolution from the RTC Branch 19, Manila denying the motion for reconsideration and reiterating its Order for the reinstatement of Criminal Case No. 468440-41 in the docket of the MTC, Branch 1, Manila. Upon demurrer to evidence, the MTC, Branch 1, Manila issued an Order dated August 29, 2014 on Criminal Case Nos. 468440-41-CR dismissing the case for Obstruction of Justice under PD1829 filed against Mr. Tia and Ms. Buyson. On January 10, 2015, a Petition for Certiorari was filed with the RTC, Branch 20, Manila. The Petition was denied for lack of merit as per RTC Branch 20, Manila Decision dated April 30, 2015. On August 26, 2015, a Notice of Appeal was filed by State Prosecutor Dayog with the RTC Branch 20, Manila. On August 18, 2016, a Decision was rendered by the Seventh Division of the Court of Appeals on CA G.R. SP No. 142194 for an appeal filed seeking to annul and set aside the Decision dated April 30, 2015 dismissing the Petitioner's Petition for Certiorari and Order dated July 30, 2015 denying Petitioner's Motion for Reconsideration rendered by Branch 20 of the RTC of Manila. The Court of Appeals granted the appeal of the Petitioner and ruled that the Decision dated April 30, 2015 rendered by Branch 20 of the RTC of Manila in SCA Case No. 15-132908 are Reversed and Set Aside. The Orders dated August 29, 2014 and November 05, 2014 rendered by Branch 1 of the MTC Manila are declared null and void and said cases are ordered Reinstated to the Court's docket for the continuation of proceedings. On July 10, 2019, the Supreme Court, First Division, issued a Resolution on G.R. No. 231325 (People of the Philippines vs. Tommy Kin Hing Tia, et. al.) acting on the Office of the Solicitor General's motion for reconsideration of the Resolution dated January 21, 2019 which denied the petition for review on certiorari and considering that there is no substantial argument to warrant a modification of the Court's resolution, the Court resolved to Deny reconsideration with Finality.

On March 31, 2015, Ms. Juana Lourdes M. Buyson, SVP-Treasurer of Omico Corporation, filed with the Supreme Court Manila a Petition for the Disbarment of State Prosecutor Edwin S. Dayog for malicious, willful and oppressive acts of Prosecutor Edwin S. Dayog relative to the filing of Criminal Case No. 468441 for Obstruction of Justice under PD 1829 which was dismissed on August 29, 2014 by the MTC, Branch1, Manila for lack of evidence. On August 27, 2015, Edwin Dayog submitted his Comment on the Petition for Disbarment. In January 2016, Ms. Buyson submitted her Reply. On April 20, 2016, the Supreme Court issued a Notice stating that the case was being referred to the Integrated Bar of the Philippines for investigation report and recommendation within 90 days from receipt of the record. On June 29, 2018, the IBP, Board of Governors, Pasig City, rendered a Resolution wherein the complaint for Disbarment filed against Edwin Dayog was dismissed. On July 17, 2019, the Supreme Court First Division Manila issued a Resolution stating that the administrative case be considered closed and terminated.

No director or executive officer was involved during the past five (5) years and as of the date of filing of this report in any conviction by final judgment in any criminal proceeding, any order, judgment or decree of any court of competent jurisdiction permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or in any proceeding involving violation of securities or commodities laws or regulations.

Amendments to Articles of Incorporation and By-Laws

Amendments to Articles of Incorporation

Change in Principal Office Address (Year 2017)

The registered office of the Company is located at Suite 1109 East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City. The Board of Directors, at a meeting held on March 17, 2017, approved the change in the Company's office address from "Unit 401 Capri Oasis-Solare Bldg., Dr. Sixto Antonio Ave., Maybunga, Pasig City" to "Suite 1109 East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City," as well as the amendment of the Company's Articles of Incorporation to effect that change. At the Annual Stockholders' Meeting held on May 26, 2017, the stockholders approved the change in the Company's principal office address. The SEC approved the said amendment on the change of the Company's principal office address as per SEC Certificate of Filing of Amended Articles of Incorporation dated October 10, 2017.

Amendments to By-Laws (Year 2020)

On June 05, 2020, the Board of Directors approved the proposed amendments to the Company's By-Laws, particularly to Article II, Sections 4, 5 and 7 of the By-Laws in order to allow sending of Notices for any regular or special meeting of stockholders through electronic mail and to allow stockholders to participate and vote in any regular or special meeting of stockholders through remote communication or *in absentia.* The Board of Directors likewise approved the amendments to Article III, Sections 4 and 6 of the Amended By-Laws in order to allow the directors to participate and vote in regular or special meetings of directors through remote communication or other alternative modes of communication that allow the directors reasonable opportunities to participate.

During the Annual Stockholders' Meeting held on July 28, 2020, the stockholders approved the above-mentioned amendments to the Company's By-Laws.

The proposed amendments to the Company's By-Laws shall be subject for evaluation and approval by the SEC.

IDENTIFY SIGNIFICANT EMPLOYEES

The Company considers the collective efforts of the Board of Directors and all of the Company's employees as instrumental to the Company's overall success.

FAMILY RELATIONSHIPS

Mr. Tommy Kin Hing Tia, Chairman, is the spouse of Ms. Anna Mei Nga Tia, President/CEO. Mr. Anson Chua Tiu Co, Vice Chairman, is the son of Mr. Co An, a principal stockholder of the Company. Except for said relationship, there are no other family relationships known to the Company.

PARENT COMPANY

The Company has no parent company.

Item 10. EXECUTIVE COMPENSATION

The aggregate compensation paid including 13th month pay during the last two fiscal years and the projected annual compensation to be paid for the current fiscal year to the Company's most highly compensated executive officers follows:

Name	Position	Annual		Compensation			
		2022 (Est.)		2021		2020	
		Salaries	Bonus and Other Comp.	Salaries	Bonus and Other Comp.	Salaries	Bonus and Other Comp.
Anna Mei Nga Tia	President/CEO						
Juana Lourdes Buyson	Treasurer						
Maria Elena F. Alqueza	Corporate Secretary						
Ma. Marry Janette Lescano	Asst. Corp. Secretary						
Total		7,137,000	-0-	6,880,717	-0-	5,658,833	-0-
All other officers & directors as a group unnamed		-0-		-0-		-0-	

The Board and Management shall appoint additional executive officers if and when necessary for the Company's operations.

The Company has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as herein stated.

The Directors did not receive any compensation for the year except for a per diem allowance of PhP6,000.00 for attendance at each meeting of the Board.

There were no bonuses, profit sharing, and other compensation given to directors and executive officers during the last two fiscal years.

There are no special employment contracts, termination of employment or change-in-control arrangement.

Stock Warrants and Options Outstanding

There are no stock warrants or options outstanding.

During the Annual Stockholders' Meeting held on April 27, 2007, the stockholders owning or representing at least two thirds (2/3) of the outstanding capital stock approved the allocation of ten percent (10%) of the Company's outstanding capital stock for the grant of stock options to the Company's deserving employees, officers and board members which rules shall be determined by the Compensation Committee and approved by the Board of Directors. The terms and conditions governing the proposed stock option plan still has to be determined by the Company's Compensation Committee and approved by the Board of Directors.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2021, the Company knows of no one who beneficially owns in excess of 5% of the Company's common stock except as set forth in the table below:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	**PCD Nominee Corporation** 6764 Ayala Avenue, Makati City (No relationship with Issuer)	PCD Nominee Corporation is the record owner and the participants of PCD are the beneficial owners of such shares. The PCD participants who beneficially own more than 5% are the following:	Filipino	960,749,342 R	91.460%
	(Accredited stock broker of the Company)	Bernad Securities, Inc. 1033 M.H. Del Pilar St., Ermita, Manila The Company is not aware of any beneficial owner with more than 5% shareholdings in Bernad Securities, Inc.	Filipino	188,737,499	17.967%
	No relationship with Issuer)	Citibank NA Philippines Citibank Tower, Makati City The Company is not aware of any beneficial owner with more than 5% shareholdings in Citibank NA Philippines.	Filipino	119,759,000	11.401%
	No relationship with Issuer)	First Metro Securities Brokerage Corporation 18/F PSBank Center, 7777 Paseo de Roxas corner	Filipino	99,962,193	9.516%

		Sedeño St., Makati City The Company is not aware of any beneficial owner with more than 5% shareholdings in First Metro Securities Brokerage Corporation.			

Notes:

The PCD Nominee Corporation is a wholly-owned subsidiary of the Philippine Depository and Trust Corporation (PDTC) (formerly the Philippine Central Depository, Inc. or PCD) and is the registered owner of the shares in the books of the Company's transfer agent. The participants of PDTC are the beneficial owners of such shares. PDTC holds the shares on their behalf or in behalf of their clients.

There are no non-Filipino holders/participants to PCD Nominee Corp. that hold more that 5% of the company's outstanding shares.

The registrant is not aware of any person/entity that holds more than 5% of a class under a voting trust or similar agreement.

Security Ownership of Management

As of December 31, 2021, the following are the number of shares beneficially owned by directors and executive officers of the Company:

Title of Class	Name of Beneficial Owner	Amount/Nature of Record/ Beneficial Ownership (indicate "R" or "B")	Citizenship	Percent of Class
Common	Tommy Kin Hing Tia	14,020,000 B	Chinese	1.335%
Common	Anson Chua Tiu Co	1,000,000 B	Filipino	0.095%
Common	Anna Mei Nga Tia	22,793,750 B	Filipino	2.170%
Common	Juan Jose Rodom T. Fetiza	100 B	Filipino	0.000%
Common	Angel Severino Raul Ilagan, Jr.	10,000B	Filipino	0.001%
Common	Albert Y. Yung	1,000 B	Filipino	0.000%
Common	John Edwin N. Co	1,000B	Filipino	0.000%
Common	Emilio S. Teng	1,000B	Filipino	0.000%
Common	Juana Lourdes M. Buyson	13,000B	Filipino	0.001%
	All Directors and Officers as a Group	37,839,850		3.602%

Voting Trust Holders of 5% or More

The registrant is not aware of any person/entity that holds more than 5% of class under a voting trust or similar agreement.

Changes in Control

To the extent known to the Company, there are no arrangements that may result in a change in control of the Company.

Item 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The significant transactions of the Company with related parties, as discussed in Note 23 *Related Party Transactions* of the Notes to the Financial Statements, are stated below:

a) The Parent Company's advances to its subsidiaries represent cash advances for subsidiaries' operating expenses paid by the Parent Company. These advances are shown as part of Receivables in the Parent Company's statements of financial position. The outstanding balance amounted to P6,681,801, P6,641,032 and P6,565,574 as of December 31, 2021, 2020 and 2019, respectively. Full allowance for credit losses were provided in 2021, 2020 and 2019. These accounts were eliminated in full in the consolidated financial statements.

b) The Parent Company's cash advances from its subsidiary in previous years are shown as Due to subsidiary in the Parent Company's statements of financial position. The outstanding balance amounted to P221,084,873 as of December 31, 2021, 2020 and 2019. This amount was eliminated in the consolidated financial statements.

c) Total salaries and compensation and retirement benefits given to key management personnel amounted to P6,220,770 in 2021 and P5,285,500 in 2020, respectively, and are shown as part of compensation and other employees' benefits account in the statements of comprehensive income.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Transactions with related parties, if any, are made at normal market prices. There have been no guarantees provided or received for any related party receivables or payables. Assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

There are no transactions or proposed transactions during the last two years to which the company or its subsidiary was or is to be a party, in which a director, executive officer, or stockholder owns ten percent (10%) or more of total outstanding shares and members of their immediate families, had or is to have a direct or indirect material interest.

The Company or its related parties have no material transaction with parties falling outside the definition of "related parties" under the Philippine Accounting Standard No. 24 that are not available for other, more clearly independent parties on an arm's length basis.

PART IV - CORPORATE GOVERNANCE

Item 13. CORPORATE GOVERNANCE

Compliance with Leading Practices on Corporate Governance

Compliance with SEC Memorandum Circular No. 2 Series 2002, Code of Corporate Governance, dated April 05, 2002 as well as relevant circulars on Corporate Governance had been monitored. The Company's Manual on Corporate Governance was revised and amended on March 19, 2010 pursuant to SEC Memorandum Circular No. 6 Series of 2009, Revised Code of Corporate Governance (the "Code"). On July 31, 2014, the Company submitted the amended Manual on Corporate Governance pursuant to SEC Memorandum Circular No. 9 Series of 2014 – Amendment to the Revised Code of Corporate Governance. In compliance with SEC Memorandum Circular No. 19, Series of 2016, entitled "Code of Corporate Governance for Publicly-Listed Companies," the Company submitted its New Manual on Corporate Governance on May 31, 2017.

Pursuant to the SEC Memorandum Circular No. 24, Series of 2019, on the Code of Corporate Governance for Public Companies and Registered Users, a New Manual on Corporate Governance shall be submitted within six (6) months from the effectivity of the said SEC MC or until July 12, 2020. On June 05, 2020, the Board of Directors resolved to approve and adopt the Company's New Manual on Corporate Governance (June 2020) and was submitted to the PSE and SEC July 13, 2020. This New Manual on Corporate Governance (June 2020) shall supersede the Manual on Corporate Governance adopted by the Company on May 31, 2017.

The Company complied with the leading practices and principles on good corporate governance. The Company's Manual on Corporate Governance has been complied with and there were no deviations from the same.

Pursuant to the SEC Memorandum Circular No. 4, Series of 2012 ("Guidelines for the Assessment of the Performance of Audit Committees of Companies Listed on the Exchange"), the Corporation's Audit Committee Charter was approved by the Board of Directors on September 26, 2012 and the prescribed yearly self-assessment for the year 2020 was conducted by the Audit Committee on March 29, 2021.

In compliance with SEC Memorandum Circular No. 20, Series of 2013, the Company's directors and key officers have attended the Corporate Governance Seminar for the year 2021 conducted by an accredited training provider of the SEC.

Pursuant to the New Code of Corporate Governance as per SEC MC No. 19, Series of 2016 and in accordance with the Company's New Manual on Corporate Governance, the Board of Directors of the Company created the Corporate Governance Committee on May 25, 2018 to assist the Board in the performance of its corporate governance responsibilities. The Corporate Governance Committee Charter sets out the mandate, significance, membership, operations and functions of the Committee of the Company and provides the guidelines which shall govern the performance of its duties and responsibilities.

The Board of Directors conducted a review of the Company's material controls (including operational, financial and compliance controls) and risk management systems.

The Board of Directors continues to review and evaluate the Company's Manual of Corporate Governance and makes necessary changes in response to changes in the Company's business. The Company plans to adopt whatever new principles and practices applicable to the Company that may evolve to improve its corporate governance.

Annual Corporate Governance Reports

On January 21, 2022, the Company submitted to the SEC and PSE the Certificate of Compliance with the Manual on Corporate Governance for the year 2021.

The SEC MC No. 15, Series of 2017 entitled "Integrated Annual Corporate Governance Report (I-ACGR)" states that to harmonize the corporate governance requirements of the SEC and the PSE, the SEC pursuant to its regulatory and supervisory power mandates that all companies already listed in the PSE by December 31 of a given year shall submit three (3) copies of a fully accomplished I-ACGR on May 30 of the following year for every year that the company remains listed in the PSE. The SEC MC No. 15, Series of 2017, further states that the I-ACGR shall be posted on the company website within five (5) business days from submission to the SEC.

Pursuant to the SEC MC No. 15, Series of 2017, the Company submitted its I-ACGR as of December 31, 2020 to the SEC and the PSE on May 20, 2021 and posted it to the Company's website thereafter.

On January 21, 2022, the Company submitted to the SEC and PSE the Certificate of Attendance of the Board of Directors for the year 2021.

Attendance of Directors in Board Meetings (for the Year 2021)

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Tommy Kin Hing Tia	05.28.21	4	4	100%
Vice-Chairman	Anson Chua Tiu Co	05.28.21	4	4	100%
President/CEO	Anna Mei Nga Tia	05.28.21	4	4	100%
Board Member	Juan Jose Rodom T. Fetiza	05.28.21	4	4	100%
Board Member	Angel Severino Raul B. Ilagan, Jr.	05.28.21	4	4	100%
Independent Director	Albert Y. Yung	05.28.21	4	4	100%
Independent Director	John Edwin N. Co	05.28.21	4	4	100%

Training and external courses attended by Directors and Senior Management for the past three (3) years and continuing education programs for Directors

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Tommy Kin Hing Tia - Chairman	September 24, 2021 September 25, 2020 September 27, 2019	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Anson Chua Tiu Co - Vice Chairman	September 24, 2021 September 25, 2020 September 27, 2019	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Anna Mei Nga Tia - President/CEO	September 24, 2021 September 25, 2020 September 27, 2019	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Angel Severino Raul B. Ilagan, Jr. - Director	September 24, 2021 September 25, 2020 April 11, 2019	Corporate Governance Seminar Corporate Governance Seminar 2019 Revised Corporation Code of the Philippines	ROAM, Inc. ROAM, Inc. Center for Global Best Practices
Juan Jose Rodom T. Fetiza - Director	September 24, 2021 September 25, 2020 September 27, 2019	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Albert Y. Yung - Independent Director	September 24, 2021 September 25, 2020 September 27, 2019	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
John Edwin N. Co - Independent Director	September 24, 2021 September 25, 2020 September 27, 2019	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Emilio S. Teng - Corporate Information Officer	August 19 & 20, 2021 September 25, 2020 September 27, 2019	Advanced Corporate Governance Training Corporate Governance Seminar Corporate Governance Seminar	Institute of Corporate Directors (ICD) ROAM, Inc. ROAM, Inc.
Juana Lourdes M. Buyson – Treasurer/Compliance Officer	September 24, 2021 November 19, 2020 September 25, 2020 September 27, 2019	Corporate Governance Seminar 7th SEC-PSE Corporate Governance Forum Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. SEC-PSE ROAM, Inc. ROAM, Inc.
Maria Elena F. Alqueza - Corporate Secretary	September 24, 2021 November 19, 2020 September 25, 2020 September 27, 2019	Corporate Governance Seminar 7th SEC-PSE Corporate Governance Forum Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. SEC-PSE ROAM, Inc. ROAM, Inc.
Ma. Marry Janette M. Lescano - Assistant Corporate Secretary	September 24, 2021 September 25, 2020 September 27, 2019	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.

Audit Committee Report for 2021

The Audit Committee Charter, which was approved by the Board on September 26, 2012, sets out the mandate, significance, membership, operations and functions of the Audit Committee of the Company and provides the guidelines which shall govern the performance of its duties and responsibilities. The provisions of the Audit Committee Charter have been complied with.

The Company has a Management Attestation Statement from the President/CEO and the Compliance Officer containing representations, among others, that a sound internal control and compliance system is in place and working effectively.

The Audit Committee, in fulfillment of its oversight responsibilities under the Code, has assisted the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control/risk management systems, audit process and monitoring of compliance with applicable laws, rules and regulations.

On March 25, 2019, the Board of Directors, on the recommendation of the Audit Committee, approved the Amended Audit Committee Charter in compliance with the provisions of the SEC New Code of Corporate Governance as per SEC MC No. 19, Series of 2016 entitled “Code of Corporate Governance for Publicly-Listed Companies” and in accordance with the Company’s New Manual on Corporate Governance dated May 2017. The amendments include, among others, the other duties and responsibilities of the Audit Committee which are the performance of the functions of a Board Risk Oversight Committee that should be responsible for the oversight of the Company’s Enterprise Risk Management system to ensure its functionality and effectiveness and the performance of the functions of a Related Party Transactions Committee which is tasked with reviewing all material related party transactions of the Company.

Material Related Party Transactions (RPT) Rules

Pursuant to the SEC MC No. 10, Series of 2019, entitled “Rules on Material Related Party Transactions for Publicly-Listed Companies,” compliance to the SEC Material RPT Rules shall be mandatory for all Publicly-Listed Companies.

On October 08, 2019, pursuant to the SEC MC No. 10, Series of 2019, the Company submitted to the SEC a Policy on Material Related Party Transactions in accordance with the SEC Material RPT Rules.

SEC Requirement on the Submission of E-mail Addresses and Cellular Phone Numbers (SEC MC No. 28, Series of 2020)

On August 27, 2020, the SEC issued Memorandum Circular (MC) No. 28, Series of 2020, on the Requirement for Corporations, Partnerships, and Individuals to Create and/or Designate E-mail Account Address and Cellular Phone Number for Transactions with the SEC, which shall be submitted to the SEC within sixty (60) days from the effectivity of said rules.

In addition to the valid official e-mail address and official cellular phone number, every corporation, association, partnership, and person under the jurisdiction and supervision of the SEC shall also submit a valid alternate e-mail address and valid alternate cellular phone number. The submission of the e-mail addresses and cellular phone numbers shall be accompanied by a duly signed Certification of Authorization which shall state that the corporation, partnership, association, or person allows the SEC to send notices, letter-replies, orders, decisions, and/or other documents through the e-mail addresses and cellular phone numbers provided, for the purpose of complying with the notice requirement of administrative due process.

Pursuant to the SEC MC No. 28, Series of 2020, the Company submitted to the SEC the Company’s designated official e-mail address, official cellphone number, alternate e-mail address, alternate cellular phone number and the required Certification of Authorization on December 23, 2020.

PART V - EXHIBITS AND SCHEDULES

Item 14. REPORTS ON SEC FORM 17-C

1. January 08, 2021 – Certificate of Compliance with the Manual on Corporate Governance
2. January 08, 2021 – Certificate of Attendance of the Board of Directors for the year 2020
3. March 29, 2021 – Notice of Annual Stockholders' Meeting on May 28, 2021 with record date of April 30, 2021
4. April 21, 2021 – Certification on Qualifications of Independent Directors
5. May 28, 2021 – Results of Annual Stockholders' Meeting
6. May 28, 2021 – Results of Organizational Meeting of the Board of Directors
7. June 15, 2021 – Change in Corporate Address/Office Building Name from PSE Centre to Tektite Towers
8. September 24, 2021 – Certificates of Attendance of Directors and Key Officers in Corporate Governance Seminar for 2021

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code (SRC) and Section 177 of the Revised Corporation Code (2019), this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in _________ on _________2022.

OMICO CORPORATION

By:

ANNA MEI NGA TIA
President and CEO
(Principal Executive/Operating Officer)

JUANA LOURDES M. BUYSON
Treasurer
(Principal Financial Officer/Acting Comptroller)

MARIA ELENA F. ALQUEZA
Corporate Secretary

APR 1 2 2022 Mandaluyong City

SUBSCRIBED AND SWORN to before me this _________day of _______ affiants exhibited to me their competent evidence of identity, to wit:

Name	Type of Identification
Anna Mei Nga Tia	TIN 103-915-047
Juana Lourdes M. Buyson	TIN 131-482-310
Maria Elena F. Alqueza	TIN 147-626-896

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Series of 2022

ATTY. JAMES K. ABUGAN
Notary Public
Appt. No. 0442-21
Until Dec. 31, 2022
IBP No. 175123 01/06/2022 Rizal Chapter
Roll No. 26890 Lifetime
MCLE No. VI-0012875 Until 4/14/2022
TIN No. 116-239-956
PTR No. 4871351 / 01-06-2022
Tel. No. 02-85452321
Mandaluyong City

COVER SHEET

for

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

SEC Registration Number

3 6 1 9 0

COMPANY NAME

O M I C O   C O R P O R A T I O N   A N D

S U B S I D I A R I E S

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

S U I T E   1 1 0 9   E A S T   T O W E R

T E K T I T E   T O W E R S ,   E X C H A N G E   R O A D

O R T I G A S   C E N T E R ,   P A S I G   C I T Y

Form Type	Department requiring the report	Secondary License type, If Applicable
A A C F S	I C T D	N A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Numbers	Mobile Number
	8637-6923 to 25	**NA**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
	May/Last Friday	**12/31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
JUANA LOURDES M. BUYSON	jeannieb@omico.com.ph	**8637-6923 to 25**	

CONTACT PERSON's ADDRESS

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

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

OMICO CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021, 2020 and 2019

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **OMICO CORPORATION AND SUBSIDIARIES** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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.

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

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

R. R. Tan & Associates, CPAs, the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Tommy Kin Hing Tia
Chairman, Board of Directors

Anna Mei Nga Tia
President/CEO

Juana Lourdes M. Buyson
Treasurer

MAR 2 8 2022

SUBSCRIBED AND SWORN to before me this _________ day of ________ affiants presented to me their respective proof or identification, to wit:

Name	Type of Identification
Tommy Kin Hing Tia	TIN 105-834-884
Anna Mei Nga Tia	TIN 103-915-047
Juana Lourdes M. Buyson	TIN 131-482-310

all known to me and to me known to be the same persons who executed the foregoing Statement of Management's Responsibility for Consolidated Financial Statements.

IN WITNESS WHEREOF, I have hereunto affixed my notary seal at the date and place first above written.

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Page No. 63
Book No. 136
Series of 2022.

ATTY. FERDINAND D. AYAHAO
Notary Public
Appointment No. 184 (2020-2021)
Extended Until June 30, 2022
For Pasig City, Pateros and San Juan City
Roll No. 46377; MCLE VI-0025705; 04-02-19
IBP LRN 02459; O.R. No. 535886; 06-21-2001
TIN 123-011-785; PTR 8129984; 01-05-22; Pasig
Unit 5, G/F West Tower PSE Bldg., Exchange Road
Ortigas Center, Pasig City Tel. 0285452321

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 8638-3430 to 32; Fax: (632) 8638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until August 13, 2024
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100015-001-2019, valid until September 12, 2022

Report of Independent Public Accountants

The Board of Directors and Stockholders
OMICO CORPORATION AND SUBSIDIARIES
Suite 1109 East Tower, Tektite Towers
Exchange Road, Ortigas Center, Pasig City

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Omico Corporation and its 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 (PFRSs).

Basis for Opinion
We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, the description of how our audit addressed the matter is provided in that context.

Revenue Recognition on Real Estate Sales and Determination of Cost of Real Estate Sales

The Group's revenue recognition process, policies and procedures on real estate sales are significant to our audit because these involve the application of significant judgment and estimation.

Real estate sales and cost of real estate sales amounted to P34,534,816 or 87.40% of total revenue and P24,752,492 or 45.97% of total cost and expenses, respectively, for the year ended December 31, 2021. The areas affected by revenue and cost recognition, which requires significant judgments and estimates, include determining when a contract will qualify for revenue recognition, particularly on the assessment of the probability of collecting the contract price; 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 to be transferred out to cost of real estate sales. These areas were significant to our audit as an error in application of judgments and estimates could cause a material misstatement in the consolidated financial statements.

The Group's policy for revenue and cost recognition are fully described in Note 3 to the consolidated financial statements. The significant judgments applied and estimates used by management related to revenue recognition and real estate inventories are described in Note 5 to the consolidated financial statements. Real estate sales and cost of real estate sales are disclosed in Notes 19 and 20 to the consolidated financial statements.

Audit Procedures Conducted
We obtained an understanding of the Group's revenue recognition policy and the related processes and evaluated whether it is established and implemented consistent with the underlying principles of the applicable revenue recognition standard and is appropriate in the context of the Group's real estate transactions.

We evaluated the design effectiveness of implemented controls relevant to the recognition and measurement of revenues from real estate sales, tested the operating effectiveness of certain relevant controls, particularly those addressing the existence and occurrence of recognized sales.

We inspected pertinent documents giving rise to contract with identified customers, on a sample basis, which include contract-to-sell, disclosure statements detailing the terms of the sales contracts, and official receipts to determine whether the related real estate sales transactions occurred and were appropriately recognized based on the Group's revenue recognition policy.

We evaluated the assumptions of management in determining the amount of collection at which point the collectability of the receivables from real estate sales is reasonably assured. Evaluation of management's basis was made by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. Impact of the COVID-19 pandemic to the level of cancellations was also considered.

In relation to cost of real estate sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. On a sampling basis, we traced costs accumulated to supporting documents such as invoices, accomplishment reports and official receipts.

Going Concern Assessment

The Group has been incurring losses for the past years, as revenues are not enough to cover the cost of operations. While some of its investment properties may provide revenues, the same have become idle since management is still determining the most advantageous and profitable project. In addition, because of the COVID-19 pandemic, there is a heightened level of uncertainty on the future economic outlook and market forecast. We consider this a key audit matter because a steady stream of revenues and cash, coupled with efforts in managing cost and expenses, will provide financial strength for the Group.

The investment properties for which housing projects are given due consideration and their corresponding fair values are disclosed in Note 15 to the consolidated financial statements.

Audit Procedures Conducted
We thoroughly discussed with management the prospect of launching real estate projects covering the Group's investment properties, which may include a joint venture operation with other property developers. To support management's assertion regarding its probability, we made on-site inspections of certain properties to determine the feasibility and marketability of real estate projects.

We also evaluated the appropriateness of management's determination of the disclosed fair value of investment properties. We have reviewed the reasonableness of the assumptions used to estimate the fair value of these investment properties by testing raw land's value by comparison with similar properties, verifying proposal to buy/sell the properties or adjacent properties thereto and verifying valuation inputs such as size, location, neighborhood and road network.

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

Our opinion on the consolidated financial statements does not cover the other information and we do not and 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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chester Nimitz F. Salvador

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 8131887, January 12, 2022, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-000251-003-2019, valid until June 12, 2022

March 28, 2022
Pasig City

OMICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	Notes		2021		2020
ASSETS					
Current Assets					
Cash and cash equivalents	8	P	319,410,098	P	377,467,602
Financial assets at fair value through profit or loss	9		65,197,538		3,590,757
Receivables	10		21,202,123		18,895,592
Real estate for sale	11		35,811,261		50,304,691
Prepayments and other current assets	12		3,126,688		3,058,042
Total Current Assets			444,747,708		453,316,684
Non-current Assets					
Installment contract receivable - net of current portion	10		14,177,842		15,138,382
Financial assets at fair value through other comprehensive income (FVOCI)	13		4,637,090		53,150,000
Property and equipment - net	14		3,222,687		4,817,413
Investment properties	15		166,781,025		166,781,025
Other non-current assets - net	16		15,096,516		15,096,516
Total Non-current Assets			203,915,160		254,983,336
TOTAL ASSETS		P	648,662,868	P	708,300,020
LIABILITIES AND EQUITY					
Current Liabilities					
Accounts payable and accrued expenses	17	P	16,774,197	P	14,201,905
Non-current Liabilities					
Accrued retirement liability	22		15,062,812		13,521,612
Total Liabilities			31,837,009		27,723,517
Equity					
Share capital	18		1,050,461,673		1,050,461,673
Additional paid-in capital			78,000		78,000
Fair value gain on FVOCI financial assets	13		(46,432,910)		2,080,000
Deficit			(387,280,904)		(372,043,170)
Total Equity			616,825,859		680,576,503
TOTAL LIABILITIES AND EQUITY		P	648,662,868	P	708,300,020

See accompanying notes to financial statements

OMICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	Notes		2021		2020		2019
REVENUES							
Real estate sales	19	P	**34,534,816**	P	22,010,500	P	41,474,405
Investment and other income - net	19		**4,980,580**		10,986,187		19,436,049
			39,515,396		32,996,687		60,910,454
COST AND EXPENSES							
Cost of real estate sales	20		**24,752,492**		18,825,074		35,252,304
Administrative expenses	21		**27,361,461**		25,679,951		30,968,571
Selling expenses			**1,732,245**		1,023,491		1,509,024
			53,846,198		45,528,516		67,729,899
LOSS BEFORE INCOME TAX			**(14,330,802)**		(12,531,829)		(6,819,445)
INCOME TAX EXPENSE	25		**906,932**		1,785,082		3,679,255
LOSS FOR THE YEAR			**(15,237,734)**		(14,316,911)		(10,498,700)
OTHER COMPREHENSIVE INCOME							
Amount to not be reclassified to profit or loss in subsequent periods:							
Fair value changes in FVOCI financial assets	13		**(48,512,910)**		350,000		150,000
TOTAL COMPREHENSIVE LOSS		P	**(63,750,644)**	P	(13,966,911)	P	(10,348,700)
BASIC/DILUTED EARNINGS (LOSS) PER SHARE	24	P	**(0.014506)**	P	(0.013629)	P	(0.009994)

See accompanying notes to financial statements

OMICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	Notes	2021	2020	2019
SHARE CAPITAL	18	P 1,050,461,673	P 1,050,461,673	P 1,050,461,673
ADDITIONAL PAID-IN CAPITAL		78,000	78,000	78,000
FAIR VALUE GAIN (LOSS) ON FVOCI FINANCIAL ASSETS				
Balance at beginning of year		2,080,000	1,730,000	1,580,000
Fair value changes in FVOCI financial assets	13	(48,512,910)	350,000	150,000
Balance at end of year		(46,432,910)	2,080,000	1,730,000
DEFICIT				
Balance at beginning of year		(372,043,170)	(357,726,259)	(347,227,559)
Loss for the year		(15,237,734)	(14,316,911)	(10,498,700)
Balance at end of year		(387,280,904)	(372,043,170)	(357,726,259)
		P 616,825,859	P 680,576,503	P 694,543,414

See accompanying notes to financial statements

OMICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	Notes	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		P (14,330,802)	P (12,531,829)	P (6,819,445)
Adjustments for:				
Fair value (gain) loss on FVPL financial assets	9,19	3,718,416	(9,026,184)	288,041
Depreciation	14,21	1,679,592	1,818,273	1,897,414
(Gain) Loss on sale of FVPL financial assets	9,19	(3,262,942)	7,465,657	-
Gain on sale of transportation equipment	14,19	-	(209,821)	-
Unrealized foreign exchange (gain) loss	19	(25,008)	24,681	17,935
Retirement expense	22	1,541,200	1,616,413	732,855
Dividend income	19	(884,148)	(111,099)	-
Interest income	19	(2,663,580)	(7,643,826)	(18,492,520)
Operating Loss Before Working Capital Changes		(14,227,272)	(18,597,735)	(22,375,720)
(Increase) decrease in receivables		(1,476,208)	1,607,858	(7,479,597)
Decrease in real estate for sale		14,493,430	8,196,191	22,440,473
(Increase) decrease in prepayments and other current assets		430,032	(295,503)	237,273
Increase (Decrease) in accounts payable and accrued expenses		2,572,291	1,260,516	422,110
Cash provided by (used in) operations		1,792,273	(7,828,673)	(6,755,461)
Cash paid for taxes		(1,405,608)	(2,232,514)	(4,393,914)
Net Cash Provided by (Used in) Operating Activities		386,665	(10,061,187)	(11,149,375)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of:				
FVPL financial assets		42,576,231	30,886,509	-
Transportation equipment		-	209,821	-
Additions to:				
FVPL financial assets	9	(104,638,486)	(27,722,741)	-
Property and equipment	14	(84,866)	(365,630)	(128,157)
Investment properties		-	(1,476,266)	(758,123)
Dividend received	19	884,148	111,099	-
Interest received		2,793,796	8,357,888	18,924,469
Net Cash Provided by (Used in) Investing Activities		(58,469,177)	10,000,680	18,038,189
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(58,082,512)	(60,507)	6,888,814
EFFECT OF FOREIGN EXCHANGE GAIN (LOSS) ON CASH AND CASH EQUIVALENTS	19	25,008	(24,681)	(17,935)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(58,057,504)	(85,188)	6,870,879
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		377,467,602	377,552,790	370,681,911
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 319,410,098	P 377,467,602	P 377,552,790

See accompanying notes to financial statements

OMICO CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021, 2020 AND 2019

1. CORPORATE INFORMATION AND STATUS OF OPERATIONS

Corporate Information

Omico Corporation (the "Parent Company or the Company") was incorporated in the Philippines and was registered with the Securities and Exchange Commission ("SEC") on August 30, 1968. Its corporate term was extended to another fifty (50) years from and after the date of expiration of its first fifty (50)-year term on August 29, 2018, as per SEC Certificate of Filing of Amended Articles of Incorporation dated October 21, 2015. It holds 100% interest both in Omico Kapital Corporation, a subsidiary which ceased operations in 1997, and Omico Mining Inc. *(formerly Omico-Ivanhoe Mining Inc).* The two subsidiaries have no commercial operation as of December 31, 2021 and 2020. The Parent Company listed its shares of stock in the Philippine Stock Exchange on May 2, 1969.

The Parent Company and Subsidiaries' (the Group) main business activities are mining exploration and property development. It is licensed to operate, prospect, mine, and deal with all kinds of ores, metals and minerals.

The mining exploration segment is engaged in the exploration activities of mine site while the property development segment is engaged in the marketing and sale of real estate and evaluation of future development of other real estate properties.

The registered office of the Company is located at Suite 1109 East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City. Omico Corporation has no ultimate Parent Company.

The consolidated financial statements of the Group for the year ended December 31, 2021 with (comparative figures for 2020 and 2019) were authorized for issue by the Company's Board of Directors on March 28, 2022.

Status of Mining Operations

On August 29, 2012, the Parent Company terminated the Mining Agreement with Macawiwili Gold Mining and Development Co., Inc. (Macawiwili) entered in September 30, 1968. With this Agreement, the Parent Company has given the reins in managing the project to Macawiwili but remains an active minority investor in the venture.

Management decided to terminate the mining agreement with Macawiwili because Management would like to focus on other mining prospects/projects.

The Parent Company is still interested in investing in mining and is scouting for other mining projects to explore, manage, operate or invest either solely or in partnership with other entities.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION, PRESENTATION AND PRINCIPLE OF CONSOLIDATION

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles as set forth in Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Basis of Financial Statements Preparation and Presentation
The consolidated financial statements have been prepared under the historical cost method except for:

- Financial instruments measured at amortized cost;
- Financial instruments which are valued at fair value; and
- Inventories at lower of cost and net realizable value (NRV)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Group operates. All values represent absolute amounts except when otherwise indicated.

The preparation of consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Principle of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and entities it controlled (the subsidiaries) as of December 31, 2021 and 2020. A parent controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with a subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, control is achieved only if a parent company has all the following;

(i) Power over the investee;
(ii) Exposure rights, to variable returns from its involvement with the subsidiary; and
(iii) The ability to use its power over the investee to affect the amount of the parent company's returns.

The Parent Company reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The following are the subsidiaries and the respective percentages of ownership as of the period therein presented:

	% of ownership	
	2021	2020
Omico Kapital Corporation	**100**	100
Omico Mining Inc.	**100**	100

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

If a parent loses control of a subsidiary, the parent

- Derecognizes the assets and liabilities of the former subsidiary from the statement of financial position
- Recognize any investment retained in the former subsidiary at its fair value and subsequently accounts for it and for any of the amounts owed by or to the former subsidiary in accordance with applicable PFRS.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

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

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading; ·
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current.

Financial Instruments
Date of Recognition
Financial assets and financial liabilities are recognized in the consolidated statements of financial position of the Group when it becomes a party to the contractual provisions of the instrument.

Initial Recognition
All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of these financial instruments includes transaction costs.

Determination of Fair Value
The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Group recognizes the difference between the transaction price and fair value in the statement of comprehensive income unless it qualifies for recognition as some other type of asset.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification and Measurement of Financial Assets
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for financial assets at FVPL, all financial assets are initially measured at fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under PFRS 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

- Financial Assets at Amortized Cost

  The Group measures financial assets at amortized cost if both of the following conditions are met:

  - ➢ The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
  - ➢ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized or impaired.

  The Group's financial assets at amortized cost includes cash and cash equivalents and receivables.

- Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

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

  Subsequent to initial recognition, financial assets at FVOCI are carried at fair value. Gains and losses on these financial assets are never recycled to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

  Included in this category are the Group's quoted and unquoted equity investments. *(see Note 13)*

  Debt instruments
  A debt financial asset is measured at FVOCI if both of the following conditions are met:

  - ➢ The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
  - ➢ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

As of December 31, 2021 and 2020, the Group does not have debt instruments at FVOCI.

- Financial Assets at Fair Value through Profit or Loss (FVPL)

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

  Financial assets at FVPL are subsequently carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income. Dividends are also recognized as other income in the consolidated statements of comprehensive income when the right of payment has been established.

  As of December 31, 2021 and 2020, included in this category are the Group's equity investments listed in Philippine Stock Exchange.

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

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

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

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

As of December 31, 2021 and 2020, included in this category are the Group's accounts payable and accrued expenses.

Reclassification of Financial Assets
The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets:

(i) from amortized cost to FVPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and,

(ii) from FVPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will be effected only at the beginning of the next reporting period following the change in the business model.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established probability of default rates for third party trade receivables based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group applies the historical credit loss method in case undue cost or effort is involved in calculating the ECL by considering the forward-looking factors. For inter-group trade receivables, the Group has established probability of default rates based on internal credit rating of the customers. Internal credit ratings are based on methodologies adopted by independent credit rating agencies. Therefore, the internal ratings already consider forward looking information.

The Group considers a financial asset to be in default when contractual payments are 180 days past due. However, the Group considers internal or external information when there are indicators that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Instruments

Financial Assets
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

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

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Cash and Cash Equivalents
Cash and cash equivalents are defined as 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. Cash and cash equivalents are initially measured at fair value.

Real Estate for Sale
Real estate for sale is carried at the lower of cost and net realizable value. Cost includes the value of land plus expenditures necessary to complete the housing units (materials and labor cost). Net realizable value is the estimated selling price in the ordinary course of business less cost to complete and sell the units. NRV is determined in a manner provided in Note 5. As of December 31, 2021 and 2020, real estate inventories are carried at cost.

Prepayments and Other Current Assets
Prepayments and other current assets consist of input taxes, prepaid expenses and deposits. They are carried at cost less the amortized portion.

Property and Equipment
Property and equipment are initially recognized at cost. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Property and equipment are subsequently stated at cost less accumulated depreciation and impairment loss, if any. Expenditures for additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation or amortization of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is computed using the straight-line method over the stipulated useful lives of the assets as follows:

	Estimated useful life
Condominium units and improvements	15-25 years
Office furniture, fixtures and office equipment	3-5 years
Transportation equipment	3-5 years

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.

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

An item of property and equipment 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 on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statements of comprehensive income in the year the item is derecognized.

Investment Properties
Investment properties consist of parcels of land that are held for future development or capital appreciation or both and that is not occupied by the Group. Investment properties are carried at cost and subsequently carried at cost, less accumulated impairment losses if any.

The Group's investment properties consist of parcels of land.

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

Transfers are made to and from investment property when, and only when there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer is recorded using the carrying amount of the investment property at the date of change in use.

Joint Arrangements
For interests in jointly controlled assets, the Group recognized in its consolidated financial statements the assets that it controls/contributed and the liabilities that it incurs, and the related income and expenses from the sale/development of the assets. No adjustment or other consolidation procedures are required since the assets, liabilities, income and expenses of the joint operation are recognized in the financial statements of the operator.

Impairment of Non-financial Assets
The carrying values of property and equipment and investment properties are reviewed for impairment when events or changes in circumstances indicate that their carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property and equipment and investment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statements of comprehensive income.

If there is any indication at end of the reporting period that an impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the Group estimates the recoverable amount of that asset and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Equity
Share capital is determined at the par value of shares that have been issued.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Fair value gain on FVOCI financial assets pertains to mark-to-market valuation of financial assets at fair value through other comprehensive income.

Deficit includes all current and prior period results of operations as disclosed in the consolidated statements of comprehensive income including changes in accounting standard in accordance with PAS 8.

Other comprehensive income comprises items of income and expenses (including items previously presented in the Consolidated Statement of Changes in Equity) that are not recognized in the consolidated statements of comprehensive income for the year in accordance with PFRS.

Earnings Per Share
Basic earnings per share is computed by dividing profit for the period by the weighted average number of shares issued and outstanding during the year.

Diluted EPS is computed by dividing the profit for the period by the weighted average number of shares issued and outstanding during the year plus the weighted average number of shares that would be issued on the conversion of dilutive potential shares.

Operating Segments
Operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated and for which discrete financial information is available. Financial information on operating segments is presented in Note 27.

Related Party Transactions
Parties are considered 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. The related party transactions are recognized based on transfer of resources or obligations between related parties, regardless whether a price is charged.

Revenue Recognition
Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at transaction price. Transaction price is the amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

The following specific recognition criteria must be met before revenue is recognized:

- Real estate

  The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from substantially completed real estate projects where collectability of sales price is reasonably assured is accounted for using the full accrual method. Collectability of the sales price is demonstrated by the buyer’s commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the seller. Revenue from sale of real estate projects under pre-completion stage are recognized over time during the construction period using the Percentage of Completion (POC) method where the Group have material obligation under the sales contract to complete the project after the property is sold. In measuring the progress of its performance obligation over time, the Group uses output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods and services transferred to date, relative to the remaining goods and services promised under the contract. Progress is measured using survey performance completed to date.

  Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as installment contract receivables.

  Any excess of collections over recognized receivables are included in the “Customers’ advances and deposits” account.

  If any of the criteria under full accrual or POC method is not met, the deposit method is applied until all the conditions for recording the sale are met. Pending recognition of sale, cash received from buyers are presented under "Customers' advances and deposits" account except when the underlying contract is a lease contract with option to purchase.

Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

- Investment income
  Interest income is recognized as the interest accrues (taking into account the effective yield on the asset).

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

  Fair value gain (loss) represents all gain and losses for changes in fair values of financial assets at FVPL.

  Realized gain (loss) in sale of shares of stock is recognized upon sale.

- Gains
  Gains represent other items that meet the definition of income and may, or may not, arise in the course of ordinary activities of the Group. Gains represent increases in economic benefits and have the same nature as revenue. These are recognized as income when earned.

Costs Recognition

- Cost of real estate sales
  Cost of real estate sales is recognized consistent with the revenue recognition method applied. Costs of subdivision lots and housing unit and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical team.

  The cost of inventory recognized in profit or loss on disposal is determined with reference to specific costs of the property. These costs are allocated to saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

- Administrative expense
  Administrative expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or decrease in a liability has arisen that can be measured reliably.

  Administrative expenses are recognized in the consolidated statements of comprehensive income:

  (i) On the basis of a direct association between the costs incurred and the earning of specific items of income;
  (ii) On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can be broadly or indirectly determined; or
  (iii) Immediately when expenditures produce no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

- Commission expense
  The Group recognizes commission expense when services are rendered by agents. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

Employee Benefits

Retirement Benefit Obligation
Pension benefits are provided to employees based on the amounts required by law, under R.A. 7641.

The Group has not yet established a formal retirement plan; however, it accrues the estimated cost of retirement benefits required by the provisions of RA No. 7641 (Retirement Law). Under RA 7641, the Group is required to provide minimum retirement benefits to qualified employees. The retirement cost accrued includes normal cost and estimated past service cost.

Short-term Employee Benefits
Salaries and wages are recognized in the consolidated statements of comprehensive income when the employees' services have been rendered to the Group.

Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in PFRS 16. This policy is applied to contracts entered into, on or after January 1, 2019.

As a Lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payment that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group used a number of practical expedients when applying PFRS 16 to leases previously classified as operating leases under PAS 17. In particular, the Group:

- Did not recognized right-of-use assets and liabilities for leases for which the lease term ends within 12 months from the date of initial application;
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term.

Short-term Leases and Leases of Low-value Assets
The Group has elected not to recognize right-of-use assets and lease liabilities for the leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor
Leases where a significant portion of the risks and rewards of ownership over the asset are retained by the lessor, are classified as operating leases. Rental income on operating leases is recognized in profit or loss on a straight-line basis of accounting over the period of the lease.

Income Taxes
Current income 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 reporting period. They are calculated according to 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 the consolidated statements of comprehensive income.

Deferred tax is provided, using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet 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 carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of 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.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss in the consolidated statement of comprehensive income. Deferred tax items are recognized in relation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

Functional Currency and Foreign Currency Transactions

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

- *Transaction and Balances*
  The accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive income.

Provisions

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, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. 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. In addition, long-term provisions are discounted to their present values, where time value of money is material.

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 resources 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.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events after the End of Reporting Period
The Group identifies subsequent events as events that occurred after the reporting period but before the date when the consolidated financial statements were authorized for issue. Any subsequent events that provide additional information about the Group's financial position at the balance sheet date are reflected in the consolidated financial statements.

Events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. CHANGES IN ACCOUNTING STANDARDS AND DISCLOSURES

New Accounting Standards and Amendments to Existing Standards Effective as of January 1, 2021
The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning January 1, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

Amendments to PFRS 16, *Leases – COVID-19-Related Rent Concessions Beyond June 30, 2021*
The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted. The Group adopted the amendments beginning April 1, 2021. As there are no rent concessions granted to the Group as a lessee, these amendments had no impact on the consolidated financial statements.

Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16 – *Interest Rate Benchmark Reform Phase 2*
The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

a. The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
b. Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively. These amendments had no impact on the consolidated financial statements of the Group.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2021
The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2021 are disclosed below. Except as otherwise indicated, the Group does not expect the adoption of the applicable new and amended PFRS to have a significant impact on its financial position or performance.

Effective beginning on or after January 1, 2022

Amendments to PFRS 3, *Reference to the Conceptual Framework*
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets or Philippine-IFRIC 21, Levies, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied prospectively.

Amendments to PAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*
The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before the asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2 *Inventories.*

The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

For the sale of items that are not part of the Group's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the consolidated statement of comprehensive income. This disclosure is not required if such proceeds and costs are presented separately in the consolidated statement of comprehensive income.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments are not expected to have significant impact on the Group's consolidated financial statements.

Amendments to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract: Cost of Fulfilling a Contract*
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments are effective for annual periods beginning on or after January 1, 2022. The amendments are not expected to have significant impact on the Group's consolidated financial statements.

Annual Improvements to PFRSs (2018-2020 cycle)
The Annual Improvements to PFRSs (2018-2020 cycle) are effective for annual periods beginning or after January 1, 2022 and are not expected to have a significant impact on the Group's consolidated financial statements.

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*
  The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

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

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

- PAS 41, *Agriculture, Taxation in fair value measurements*
  The amendment removes the requirement in paragraph 22 of PAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

Effective beginning on or after January 1, 2023

Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have a material impact on the Group.

Amendments to PAS 8, *Definition of Accounting Estimates*
The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

Amendments to PAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice.

Effective beginning on or after January 1, 2025

PFRS 17, *Insurance Contracts*
PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of the financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- Identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- Divides the contracts into groups that it will recognize and measure;
- Recognizes and measures groups of insurance contracts at:

  i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset); or
  ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);

- Recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- Presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- Discloses information to enable users of the financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The new standard is not applicable to the Group since it has no activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely pending the final outcome of the IASB's research project on International Accounting Standards 28. Adoption of these amendments when they become effective will not have any impact on the consolidated financial statements.

5. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates. Future events may occur which will cause the judgments and estimates used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

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

- *Determination of control* - The Parent Company controls an entity if and only if the Parent Company has (i) Power over the entity, (ii) Exposure or rights to variable returns from its involvement with the entity, and (iii) The ability to use its power over the entity to affect the amount of Parent Company's returns.

  The Parent Company regularly reassesses whether it controls an investee when facts and circumstances indicate that there are changes to one or more elements of controls above.

  As of December 31, 2021 and 2020, the Parent Company determined that it exercise control over its subsidiaries.

- *Assessment of joint arrangement* – The Group reviews the joint arrangement with its co-joint operators for any changes in facts and circumstances leading to the determination of joint control between joint operators. As of December 31, 2021, and 2020, Management has determined that its joint arrangements are in the nature of joint operation as guided by PFRS 11.

- *Recognition of deferred tax assets* – the Group review the carrying amounts at the end of each reporting period and adjust the balance of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. As of December 31, 2021 and 2020, the Group did not recognize deferred tax asset amounting to P20.5 million and P26.8 million, respectively, since it does not expect to have sufficient profit against which the deferred tax asset can be utilized. *(see Note 25)*

- *Classification of financial instruments* – the Group classifies financial assets in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:

  a. Financial assets measured at amortized cost;
  b. Financial assets measured at fair value through profit or loss;
  c. Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are reclassified to profit or loss; and
  d. Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss.

  The Group determines the classification at initial recognition and re-evaluates this classification at every reporting date.

- *Classification of property* – The Group determines whether a property is classified as investment property or inventory as follows:

  a. Investment property comprises land which are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

  b. Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.

- *Revenue recognition* – Part of the assessment process of the Group before revenue recognition is to assess 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 initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history of customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

- *Litigations* – The Group is currently involved in some legal proceedings. While estimates have been developed on possible outcome of these cases, management believes that the ultimate outcome will not have a material effect on the consolidated financial statements. However, a change in underlying estimates could affect the consolidated financial statements in the future.

  As of December 31, 2021 and 2020, there were no provisions for litigation in the accompanying consolidated financial statements.

<u>Accounting Estimates</u>
The key assumptions concerning the future and other key sources of estimation of uncertainty at the end of reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Determination of fair value of assets and liabilities*
  The Group measures fair value of assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

  Level 1
  Included in the Level 1 category are assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. Assets and liabilities are regarded as quoted in an active market 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.

Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Fair value measurement is discussed in Note 6.

- *Impairment of non-financial assets* – the Group assesses whether there are indications of impairment on its long-lived assets, at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units to which the assets belong. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

- *Provisions* – the Group provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provisions is based on known information at end of the reporting period, net of any estimated amount that may be reimbursed to the Group. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

- *Estimating useful lives and residual values of property and equipment* – the Group estimate the useful lives and residual values of property and equipment based on the internal technical evaluation and experience. Estimated lives of property and equipment are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of the assets.

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

	Estimated useful life
Condominium units and improvements	15-25 years
Office furniture, fixtures and office equipment	3-5 years
Transportation equipment	3-5 years

- *Estimating NRV of Real Estate Inventories* -The carrying value of real estate inventories is carried at lower of cost and NRV. The estimates used in determining NRV is dependent on the recoverability of its cost with reference to existing market prices, location or the recent market transactions. The amount and timing of recorded cost for any period would differ if different estimates were used.

- *Estimating retirement benefits cost* – the Group's retirement benefit cost is computed using the provisions of R.A. 7641. This entails using certain assumptions with respect to salary increases and employees' length of stay. *(see Note 22)*

- *Estimation of allowance for impairment loss on receivables* – The Group reviews its receivables at each reporting date to assess whether an allowance for impairment should be recorded in the consolidated statements of comprehensive income. The measurement of credit losses under PFRS 9 requires significant judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowance.

6. FAIR VALUE MEASUREMENT

The fair value for assets and liabilities traded in active market at the reporting date is based on their quoted market price. For all other assets and liabilities not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Group recognizes the difference between the transaction price and fair value in the consolidated statements of comprehensive income unless it qualifies for recognition as some other type of asset.

Assets and liabilities measured at fair value and those which are not measured at fair value but fair value is required to be disclosed are categorized in a manner discussed in note 5.

The following table presents the summary of the Group's assets and liabilities measured or disclosed at fair value on a recurring or non-recurring basis recognized in the Consolidated Statements of Financial Position as of December 31, 2021 and 2020:

2021		Level 1		Level 2		Level 3
Assets						
Loans and receivables						
Cash and cash equivalents*	P	-	P	319,380,098	P	-
Receivables		-		21,202,123		-
Non-current installment contracts receivable		-		11,321,602		-
Financial assets at FVPL		65,197,538		-		-
Financial assets at FVOCI						
Unquoted equity investments		-		337,090		-
Quoted equity investments		4,300,000		-		-
Other non-current assets		-		15,096,516		-
Investment properties		-		992,000,000		58,000,000
	P	69,497,538	P	1,359,337,430	P	58,000,000
Liabilities						
Accounts payable and accrued expenses	P	-	P	16,774,197	P	-

** Amount is exclusive of cash on hand amounting to P30,000.*

2020		Level 1		Level 2		Level 3
Assets						
Loans and receivables						
Cash and cash equivalents*	P	-	P	377,437,602	P	-
Receivables		-		18,895,592		-
Non-current installment contracts receivable		-		12,088,634		-
Financial assets at FVPL		3,590,757		-		-
Financial assets at FVOCI						
Unquoted equity investments		-		50,000,000		-
Quoted equity investments		3,150,000		-		-
Other non-current assets		-		15,096,516		-
Investment properties		-		310,000,000		58,100,000
	P	6,740,757	P	783,518,344	P	58,100,000
Liabilities						
Accounts payable and accrued expenses	P	-	P	14,201,905	P	-

** Amount is exclusive of cash on hand amounting to P30,000.*

Fair values were determined as follows:

- Due to short-term nature of transactions of Cash and cash equivalents, receivables and accounts payable and accrued expenses, the fair values approximate the carrying amounts.
- Fair values of non-current installment contracts receivable were determined by discounting future cash flows at market prevailing interest rates.
- Fair values of FVPL financial assets were determined through the Philippine Stock Exchange.
- Fair values of quoted equity investments were determined using the quoted market prices at the end of reporting period.
- The fair values of unquoted equity investments were determined using market approach.
- Fair values of Investment properties under level 2 were determined by reference to the proposal to buy/sell the properties and adjacent properties thereto. Fair value of level 3 investment properties was determined using Sales comparison approach.

7. RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management framework
The Group's audit committee is responsible for the over-all effectiveness of risk management system. Furthermore, it is also the committee's purpose to lead the general evaluation and to provide assistance in the continuous improvement of the Group's risk management, control and governance processes. These functions also require that:

(i) Financial reports comply with established internal policies and procedures, pertinent accounting and auditing standards, and other regulatory requirements;

(ii) Risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks;

(iii) The BOD is properly assisted in the development of policies that would enhance the risk management.

Market Risk
Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

i. *Foreign Currency Risk*
The risk that the Group will face with respect to the unstable changes in foreign exchange particularly in US dollar. To minimize this risk, the Group maintains a considerable amount of cash and cash equivalents so as not to be affected by the fluctuation of Philippine peso vis-à-vis US dollar.

The Group's exposure to foreign currency risk pertains to its Dollar denominated cash and cash equivalents.

The following table demonstrates the sensitivity to a reasonable change in the US$ exchange rate, with all other variables held constant, of the Group's income before tax and equity:

Increase/Decrease in	Effect on income before taxes		Effect on equity	
Peso to US Dollar Rate	**2021**	2020	**2021**	2020
+P5.00	**P 45,668**	P 45,573	**P 34,251**	P 31,901
-P5.00	**(45,668)**	(45,573)	**(34,251)**	(31,901)

ii. Interest rate risk
As of December 31, 2021 and 2020, financial instruments subject to variable interest rate risk are as follows:

	Interest	**Due in**	
2021	**rate**	**1 year**	**2-5 years**
Financial assets that are:			
Cash and cash equivalents	**0.10%-0.90%**	**P 319,380,098**	**P -**

	Interest	Due in	
2020	rate	1 year	2-5 years
Financial assets that are:			
Cash and cash equivalents	0.10%-1.0%	P 377,437,602	P -

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax:

		Increase/decrease in interest rates	Effect on profit before tax
Cash and cash equivalents	**2021**	**+100 bps**	**P 3,484,089**
	2021	**-100 bps**	**(3,484,089)**
	2020	+100 bps	3,774,802
	2020	-100 bps	(3,774,802)

iii. Price risk

The Group's price risk exposure at year end relates to financial assets whose rates will fluctuate as a result of changes in market prices, principally, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Management monitors movements of equity price on a regular basis by assessing the expected changes in the different portfolios due to parallel movements of a 5% increase or decrease in market values.

The equity securities are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Any increase and a decrease in the market values of stocks would result to an impact on the consolidated statements of comprehensive income and equity as follows:

% of change in	Impact on income		Impact on equity	
market values	**2021**	2020	**2021**	2020
+5%	**P 3,204,902**	P 179,538	**P 3,382,749**	P 312,336
-5%	**(3,204,902)**	(179,538)	**(3,382,749)**	(312,336)

Credit Risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to the consolidated financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Group actively monitors its receivables to avoid significant concentrations of credit risk. They set a maximum limit on the amount that each employee can borrow. In addition, receivables from employees are subject to salary deductions.

The maximum exposure to credit risk at the end of reporting period is as follows:

	2021	2020
Cash and cash equivalents*	**P 319,380,098**	P 377,437,602
Receivables	**35,379,965**	34,033,974
Financial assets at fair value through profit or loss	**72,466,188**	7,140,992
Financial assets at FVOCI	**51,070,000**	51,070,000
Other non-current assets**	**33,288,870**	33,288,870
	P 511,585,121	P 502,971,438

** Amount is exclusive of cash on hand amounting to P30,000.*

*** Amount is exclusive of nonfinancial asset amounting to P302,935.*

The tables below show the credit quality by class of financial assets as at December 31, 2021 and 2020:

	Neither past due nor impaired		Past due but not impaired	Past due and impaired	
2021	**High grade**	**Standard grade**	**90 days past due**	**impaired**	**Total**
Cash and cash equivalents	**P 319,380,098**	**P -**	**P -**	**P -**	**P 319,380,098**
Receivables	**6,530,009**	**28,849,956**	**-**	**-**	**35,379,965**
FVPL financial assets	**72,466,188**	**-**	**-**	**-**	**72,466,188**
Financial assets at FVOCI	**1,070,000**	**50,000,000**	**-**	**-**	**51,070,000**
Other non-current assets	**-**	**2,014,845**	**12,778,736**	**18,495,289**	**33,288,870**
	P 399,446,295	**P 80,864,801**	**P 12,778,736**	**P 18,495,289**	**P 511,585,121**

	Neither past due nor impaired		Past due but not impaired	Past due and impaired	
2020	High grade	Standard grade	90 days past due	impaired	Total
Cash and cash equivalents	P 377,437,602	P -	P -	P -	P 377,437,602
Receivables	4,678,288	29,355,686	-	-	34,033,974
FVPL financial assets	7,140,992	-	-	-	7,140,992
Financial assets at FVOCI	1,070,000	50,000,000	-	-	51,070,000
Other non-current assets	-	10,731,250	4,062,331	18,495,289	33,288,870
	P 390,326,882	P 90,086,936	P 4,062,331	P 18,495,289	P 502,971,438

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in banks belonging to the top banks in the Philippines in terms of resources and profitability.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Liquidity Risk
Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Group is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The table below summarizes the maturity profile of the Group's financial liabilities as of December 31, 2021 and 2020, based on undiscounted contractual payments:

		Not later than one month	Later than 1 month & not Later than 3 months	Later than 3 months & not later than 1 year	Total
Accounts payable and accrued expenses	**2021**	**P1,046,785**	**P 542,092**	**P 15,185,320**	**P 16,774,197**
	2020	886,263	458,964	12,856,678	14,201,905

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2021 and 2020 are as follows:

	2021	2020
Cash on hand and in banks	**P 52,440,315**	P 112,703,396
Short-term placements	**266,969,783**	264,764,206
	P 319,410,098	P 377,467,602

Cash accounts with banks generally earn interest at rates based on prevailing bank deposit rates. Short-term placements can be pre-terminated at any time and have average interest rates ranging from 0.10% to 0.90% and 0.10% to 1.00% per annum in 2021 and 2020, respectively.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial assets at fair value through profit or loss consist of shares of stock of publicly listed companies which are classified as held for trading.

All amounts presented have been determined directly by reference to published price quoted in the stock market.

The reconciliation of this account is shown below:

	2021	2020
Balance, January 1	**P 3,590,757**	P 5,193,998
Acquisitions during the year	**104,638,486**	27,722,741
Disposals during the year	**(39,313,289)**	(38,352,166)
Changes in market value (Note 19)	**(3,718,416)**	9,026,184
	P 65,197,538	P 3,590,757

The Group recognized fair value loss of P3,718,416 in 2021 and fair value gain of P9,026,184 in 2020. The Group also disposed certain shares of stock which resulted to a net gain of P3,262,942 in 2021 and net loss of P7,465,657 in 2020. *(see Note 19)*

10. RECEIVABLES

In the consolidated financial statements as of December 31, this account is composed of:

		2021		2020
Installment contract receivable	**P**	**20,707,851**	P	19,816,670
Due from HDMF		**11,946,875**		11,056,362
Advances to officers and employees		**2,216,047**		2,217,470
Accrued interest on short-term placements		**-**		130,216
Advances to agent		**100,500**		103,000
Other receivables		**408,692**		710,256
		35,379,965		34,033,974
Less: Non-current portion		**14,177,842**		15,138,382
	P	**21,202,123**	P	18,895,592

Installment contracts receivable on sale of house and lots which pertains to Sta. Rosa project are collectible in monthly installments for periods ranging from 3 to 7 years and bear an interest rate of 21% per annum computed on the diminishing balance. Portion of which are covered by postdated checks.

Non-current portion represents installment contract receivable that are due beyond 1 year.

For the years ended December 31, 2021, 2020 and 2019, interest income on these installment accounts amounted to P1,639,319, P1,285,032 and P1,179,844, respectively. *(see Note 19)*

Due from HDMF represents portion of take-out proceeds on sale of real estate properties that were withheld in accordance with financing agreement with Home Development Mutual Fund.

Due to short-term nature of transactions of current receivables, the fair values approximate the carrying amounts.

11. REAL ESTATE FOR SALE

This account consists of:

		2021		2020
Real estate for sale - at cost				
Land	**P**	**1,472,281**	P	2,132,523
Housing units and developments		**20,669,093**		29,938,111
Condominium units (Note 26)		**13,669,887**		18,234,057
	P	**35,811,261**	P	50,304,691

The movements in real estate for sale is set out below:

		2021		2020
Real estate for sale, beginning	**P**	**50,304,691**	P	58,500,882
Construction and development costs incurred		**10,259,062**		10,628,883
Transferred to cost of sales (Note 20)		**(24,752,492)**		(18,825,074)
Real estate for sale, ending	**P**	**35,811,261**	P	50,304,691

Real estate for sale, which is carried at cost, principally pertains to cost of raw land, property developments and other expenses related to construction and development of subdivision and condominium units. Construction and development costs include the cost of materials, labor and other related costs.

12. PREPAYMENTS AND OTHER CURRENT ASSETS

In the consolidated financial statements, this account is composed of the following:

		2021		2020
Prepaid taxes	**P**	**2,320,145**	P	1,821,467
Input value added tax		**1,355,014**		1,785,046
Others		**289,800**		289,800
		3,964,959		3,896,313
Less: Allowance for impairment losses		**838,271**		838,271
	P	**3,126,688**	P	3,058,042

Prepaid taxes consist of creditable withholding taxes at source.

Input value added tax represents the 12% Value Added Tax (VAT) on purchases of goods and services.

Others include prepaid membership dues and insurances.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Details of this account in 2021 and 2020 are as follows:

		2021		2020
Cost:				
Unquoted equity investments	**P**	**50,000,000**	P	50,000,000
Quoted equity investments		**1,070,000**		1,070,000
		51,070,000		51,070,000
Allowance for market adjustment		**(46,432,910)**		2,080,000
	P	**4,637,090**	P	53,150,000

The movements of this account during the year are as follows:

		2021		2020
Balance at beginning of year	P	**53,150,000**	P	52,800,000
Changes in fair value		**(48,512,910)**		350,000
Balance at end of year	P	**4,637,090**	P	53,150,000

Unquoted equity investments comprise of equity interest in Macawiwili Gold Mining and Development Co., Inc.

Quoted equity investments consists of golf club shares in Manila Southwoods and Tagaytay Midlands.

The fair values were determined in a manner discussed in Note 6.

14. PROPERTY AND EQUIPMENT

The movement of property and equipment as of December 31, 2021 is as follows.

	Condominium Units and Improvements	Office Furniture and Fixtures	Office Equipment	Transportation Equipment	Total
Cost					
At January 1, 2021	P 14,140,270	P 853,231	P 2,792,484	P 12,715,183	P 30,501,168
Additions	-	-	84,866	-	84,866
At December 31, 2021	14,140,270	853,231	2,877,350	12,715,183	30,586,034
Accumulated depreciation					
At January 1, 2021	12,247,702	853,230	2,274,476	10,308,347	25,683,755
Provisions	96,500	-	151,484	1,431,608	1,679,592
At December 31, 2021	12,344,202	853,230	2,425,960	11,739,955	27,363,347
Net Carrying Value					
At December 31, 2021	P 1,796,068	P 1	P 451,390	P 975,228	P 3,222,687

The movement of property and equipment as of December 31, 2020 is as follows.

	Condominium Units and Improvements	Office Furniture and Fixtures	Office Equipment	Transportation Equipment	Total
Cost					
At January 1, 2020	P 14,140,270	P 853,231	P 2,426,854	P 17,389,320	P 34,809,675
Additions	-	-	365,630	-	365,630
Disposals	-	-	-	(4,674,137)	(4,674,137)
At December 31, 2020	14,140,270	853,231	2,792,484	12,715,183	30,501,168
Accumulated depreciation					
At January 1, 2020	12,151,202	853,230	2,165,917	13,369,270	28,539,619
Provisions	96,500	-	108,559	1,613,214	1,818,273
Disposals	-	-	-	(4,674,137)	(4,674,137)
At December 31, 2020	12,247,702	853,230	2,274,476	10,308,347	25,683,755
Net Carrying Value					
At December 31, 2020	P 1,892,568	P 1	P 518,008	P 2,406,836	P 4,817,413

Certain transportation equipment disposed in 2020 resulted to a gain of P209,821. *(see Note 19)*

The Group has fully depreciated assets which are still being used amounting to P22,957,537 and P18,324,455 as at December 31, 2021 and 2020, respectively.

15. INVESTMENT PROPERTIES

Investment properties comprise parcels of land in the following locations as at December 31, 2021 and 2020:

Urdaneta City, Pangasinan (Note 26)	**P 78,969,783**
Mayapyap, Cabanatuan City	**19,200,222**
Haddad, Sablan, Benguet	**37,026,389**
Bueno, Sablan, Benguet	**16,372,765**
Belmonte, Sablan, Benguet	**3,095,081**
Tagaytay City, Cavite	**12,116,785**
	P 166,781,025

- The property held in Urdaneta City, Pangasinan is a subject of a joint venture with other property developers and co-owners. Pending certain clearances from government agencies, the property will be a location of low and medium cost residential and commercial subdivisions in Urdaneta City. Management determines that based on recent transactions and offers to buy/sell adjacent properties, the fair value of the property which is categorized as level 2 in the fair value hierarchy amounted to P752 million in 2021 and 2020.

  The Group spent a total of P1,476,266 for regulatory clearance in 2020. The same may be recovered once the joint venture operations commence.

- The Mayapyap property, which is situated in Bgy. Mayapyap Sur, Cabanatuan City, Nueva Ecija and located along the Maharlika National Highway, has an area of 41,271 square meters and has a fair value of P144 million and P74 million in 2021 and 2020, respectively. The property has been re-classified as residential area by the local government, the highest and best use for the property. Development plans are being formulated for the property, which is beamed at the middle-income residential market. Fair value was determined by reference to the proposals to sell adjacent properties received from a certain seller which is categorized as level 2 in the fair value hierarchy.

- The Haddad property, which is situated in Bgy. Banangan, Muncipality of Sablan, Province of Benguet with an area of 66,846 square meters, has a spectacular view of the Cordilleras, and as far away as Lingayen Gulf, the beaches of La Union and the West Philippine Sea. The Haddad Property is being planned as an upscale vacation and residential community in Metro Baguio and will be named the Omico Pine Villas.

- The Group is currently evaluating the development of the Bueno property located in Bgy, Banangan, Municipality of Sablan, Province of Benguet. The project will be called Baguio Homes and has an area of 66,217 square meters located on the slopes of mountainside terrain with the majestic view of the Cordilleras. The project is designed to cater to the low-cost housing needs of Metro Baguio, the highest and best use of the property. The land had already been converted in the local level from agricultural to residential use.

- The Belmonte property, which is situated in Dackes, Bgy. Banangan, Muncipality of Sablan, Province of Benguet and located along Naguilian Road, Baguio City has an area of 23,624 square meters.

  The aggregate fair value of the Sablan, Benguet (Haddad, Bueno and Belmonte) properties is estimated to be P58 million in 2021 and 2020, determined under level 3 in the fair value hierarchy. The value was determined in consultation with real estate brokers operating within the Baguio district which management believes to be a representative of its fair value.

- The Tagaytay property, which is situated in Kaybagal South, Tagaytay City, Cavite has an area of 2,738 square meters. The Group plans to build a low-rise building with 5 floors, with commercial spaces at the ground floor and hotel and Airbnb rooms at the second to fifth floors. Management determines that based on recent transactions and offers to buy/sell adjacent properties, the fair value of the property which is categorized as level 2 in the fair value hierarchy amounted to P96 million and P25 million in 2021 and 2020, respectively.

  The description of valuation techniques and inputs used in determining the fair value of investment properties classified as Level 3 in the fair value hierarchy is as follows:

Valuation techniques	Significant unobservable inputs	Range
Sales comparison approach	Asking price (per square meter)	P200-P450
	Size	
	Location	
	Neighborhood	
	Transport/Road network	

  Sales comparison approach is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Except for asking price, the quantitative information on significant unobservable inputs cannot be determined by management alone.

During 2021 and 2020, there were no transfers between levels of fair value hierarchy. No property has been pledged as collateral or security for any of the Group’s liabilities and there have been no restrictions on the realizability of these investment properties. Except for properties that are subject of a joint venture, no contractual obligations to purchase, construct or develop these properties or for repairs, maintenance or enhancements.

There was no rental income generated from investment properties. Direct operating expenses included in the consolidated statements of comprehensive income related to the investment properties amounted to P0.46 million, P0.42 million and P0.36 million in 2021, 2020 and 2019, respectively.

16. OTHER NON-CURRENT ASSETS

As of December 31, 2021 and 2020, other non-current assets account consists of the following:

Advances	P	20,542,775
Cash bond (Note 26)		10,731,250
Other receivables		2,014,845
Mining and other equipment		302,935
		33,591,805
Less: Allowance for impairment losses		18,495,289
	P	15,096,516

- The details of Advances as of December 31, 2021 and 2020, which represent funds given by the Parent Company as its contribution to various housing projects, are as follows:

Beneco Housing	P	11,528,881
DVF-Homes Talavera		4,983,363
Sto. Domingo Housing		4,030,531
	P	20,542,775

- Cash bond represents bond required by the Department of Agrarian Reform (DAR) in connection with the Land Use Conversion (LUC) application of a 17.17-hectare property in Pinmaludpod, Urdaneta. *(see Note 26)*

- Other receivables represent advances to third parties for real estate projects.

Breakdown of allowance for impairment losses as at December 31, 2021 and 2020 is as follows:

Advances:		
Beneco Housing	P	11,528,881
DVF-Homes Talavera		4,030,531
Sto. Domingo Housing		618,097
Other receivables		2,014,845
Mining and other equipment		302,935
	P	18,495,289

17. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of:

		2021		2020
Customers' advances and deposits	**P**	**11,515,704**	P	9,963,608
Accounts payable		**4,985,368**		4,028,020
Accrued taxes and other liabilities		**273,125**		210,277
	P	**16,774,197**	P	14,201,905

Customers’ advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer.

Customers’ deposits represent collections from the buyers which have not reached the minimum required percentage of collections. These deposits will be recognized as revenue in the consolidated statement of comprehensive income when the required percentage of collection is met.

Accounts payable comprise of amounts due to contractors and suppliers of goods and services.

Accrued taxes and other liabilities include deferred output tax and withholding taxes payable.

18. EQUITY

Share capital
The Group’s capital structure as of December 31, 2021 and 2020 is as follows:

Authorized - P1 par value	P	2,000,000,000
Issued and outstanding - 1,050,461,673 shares		1,050,461,673

Capital management
The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Group’s activities. In order to maintain or adjust the capital structure, the Group’s may require infusion of additional capital.

19. REVENUES

(a) Real estate sales

Real estate sales comprise the sale of lots, house and lot and condominium units in Sta. Rosa, Nueva Ecija and Tagaytay City, Cavite. The Sta. Rosa project is registered with the Housing and Land Use Regulatory Board as seller of low-cost housing units. Low-cost housing units refer to housing units which are within the affordability level of the average and low-income earners.

Real estate sales of low-cost housing units and condominium units amounted to P34,534,816 in 2021, P22,010,500 in 2020 and P41,474,405 in 2019.

(b) Investment and other income - net consists of:

	2021	2020	2019
Interest income on:			
Cash and cash equivalents	**P 2,663,580**	P 7,643,826	P18,492,520
Installment contract receivable (Note 10)	**1,639,319**	1,285,032	1,179,844
Fair value gain (loss) on FVPL financial assets (Note 9)	**(3,718,416)**	9,026,184	(288,041)
Gain on sale of transportation equipment (Note 14)	**-**	209,821	-
Dividend income	**884,148**	111,099	-
Unrealized foreign exchange gain (loss)	**25,008**	(24,681)	(17,935)
Gain (Loss) on sale of FVPL financial assets (Note 9)	**3,262,942**	(7,465,657)	-
Other income	**223,999**	200,563	69,661
	P 4,980,580	P 10,986,187	P 19,436,049

20. COST OF REAL ESTATE SALES

In the consolidated financial statements, details of this account are as follows:

	2021	2020	2019
Real estate inventory, beginning	**P 50,304,691**	P 58,500,882	P 93,058,140
Add: Development costs incurred	**10,259,062**	10,628,883	12,811,831
Less: Reclassification	**-**	-	(12,116,785)
Real estate available for sale	**60,563,753**	69,129,765	93,753,186
Less: Real estate inventory, ending	**35,811,261**	50,304,691	58,500,882
Cost of real estate sales	**P 24,752,492**	P 18,825,074	P 35,252,304

With the termination of Joint Venture Agreement with Robinsons Land Corporation, a parcel of land in Tagaytay City, Cavite with a total area of 2,738 square meters ceased to meet the definition of inventory. As at December 31, 2019, the property with a carrying value of P12,116,785 was reclassified to investment property as it meets the definition of an investment property. *(see Note 15)*

21. ADMINISTRATIVE EXPENSES

This account consists of:

	2021	2020	2019
Compensation and other employees' benefits (Note 22)	**P 9,223,833**	P 7,792,932	P 8,132,916
Transportation and travel	**6,791,340**	5,988,064	7,056,435
Representation and entertainment	**2,741,603**	2,471,442	3,102,828
Professional fees	**2,635,256**	2,269,033	2,536,323
Taxes, licenses and filing fees	**2,101,645**	2,510,394	4,753,745
Depreciation (Note 14)	**1,679,592**	1,818,273	1,897,414
Repairs and maintenance	**409,869**	618,575	865,938
Communication, light and water	**383,972**	389,121	471,882
Association and membership dues	**357,485**	413,327	413,927
Meetings and conferences	**252,423**	241,686	361,604
Directors' fee	**252,000**	252,000	246,000
Insurance	**166,680**	199,507	196,328
Office supplies	**142,899**	146,003	224,427
Caretaker's fee	**42,512**	144,497	152,157
Miscellaneous	**180,352**	425,097	556,647
	P 27,361,461	P 25,679,951	P 30,968,571

22. COMPENSATION AND OTHER EMPLOYEES' BENEFITS

The breakdown of the consolidated compensation and other benefits is as follows:

	2021	2020	2019
Salaries and wages	**P 6,492,979**	P 5,203,013	P 6,483,167
Retirement expense	**1,541,200**	1,616,413	732,855
13th month pay	**513,774**	544,579	522,733
Social security cost	**675,880**	428,927	394,161
	P 9,223,833	P 7,792,932	P 8,132,916

The movements in the defined benefit obligation recognized and presented as *Accrued Retirement Liability* under Non-current Liabilities in the consolidated statements of financial position are as follows:

	2021	2020	2019
Balance, January 1	**P 13,521,612**	P 11,905,199	P 11,172,344
Expense recognized	**1,541,200**	1,616,413	732,855
Balance, December 31	**P 15,062,812**	P 13,521,612	P 11,905,199

The Group's retirement benefit plan is patterned under the requirements of R. A. 7641 and covers 11 employees. As such, the plan is deemed to be a Defined Benefit Plan. The retirement expense for the years ended December 31, 2021, 2020 and 2019 amounted to P1,541,200, P1,616,413 and P732,855, respectively. No actuarial valuations are made as management believes that the defined benefit obligation computed using the provisions of R.A. 7641 is not materially different with the amount computed using the projected unit credit method required under the revised PAS 19, *Employee Benefits*.

23. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Transactions with related parties, if any, are made at normal market prices. Outstanding balances at yearend are unsecured, non-interest bearing and settlement occurs in cash, unless otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. Assessment is undertaken each financial year by examining the financial position of the related parties and the markets in which the related parties operate.

The following tables provide the total amount of transactions that have been entered into with related parties and the outstanding balances as of December 31, 2021, 2020 and 2019:

			Outstanding Balance		
Category	**Year**	**Amount of transactions**	**Due from related parties**	**Due to related parties**	**Terms and conditions**
Subsidiaries					
Omico Kapital Corporation					
Cash advances	**2021**	**P 23,180**	**P 370,557**	**P 221,084,873**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2020	55,474	347,377	221,084,873	Demandable; non-interest bearing; unsecured; payable in cash
	2019	25,995	291,903	221,084,873	Demandable; non-interest bearing; unsecured; payable in cash
Omico Mining Inc.					
Cash advances	**2021**	**17,589**	**6,311,244**	**-**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2020	19,984	6,293,655	-	Demandable; non-interest bearing; unsecured; payable in cash
	2019	20,385	6,273,671	-	Demandable; non-interest bearing; unsecured; payable in cash
	2021		**P 6,681,801**	**P 221,084,873**	
	2020		P 6,641,032	P 221,084,873	
	2019		P 6,565,574	P 221,084,873	

The Parent Company's advances to its subsidiaries represent cash advances for subsidiaries' operating expenses paid by the Parent Company. These advances are shown as part of Receivables in the Parent Company's statements of financial position. The outstanding balance amounted to P6,681,801, P6,641,032 and P6,565,574 as of December 31, 2021, 2020 and 2019, respectively. Full allowance for credit losses were provided in 2021, 2020 and 2019. These accounts were eliminated in full in the consolidated financial statements.

The Parent Company's cash advances from its subsidiary in previous years are shown as Due to subsidiary in the Parent Company's statements of financial position. The outstanding balance amounted to P221,084,873 as of December 31, 2021, 2020 and 2019. This amount was eliminated in the consolidated financial statements.

Compensation of key management personnel by benefit type is as follows:

		2021		2020		2019
Short-term employee benefits	**P**	**5,676,471**	P	4,741,201	P	5,692,400
Post-employment benefits		**544,299**		544,299		544,299
	P	**6,220,770**	P	5,285,500	P	6,236,699

24. EARNINGS (LOSS) PER SHARE

The following table presents the computation of basic EPS.

		2021		2020		2019
Loss for the year	**P**	**(15,237,734)**	P	(14,316,911)	P	(10,498,700)
Divided by: Weighted Average Shares		**1,050,461,673**		1,050,461,673		1,050,461,673
Basic/Diluted earnings (loss) per share	**P**	**(0.014506)**	P	(0.013629)	P	(0.009994)

25. INCOME TAXES

- Income tax expense for the years ended December 31, 2021, 2020 and 2019 is broken down as follows:

		2021		2020		2019
MCIT	**P**	**116,456**	P	97,258	P	149,934
Final tax		**790,476**		1,687,824		3,529,321
	P	**906,932**	P	1,785,082	P	3,679,255

- The Group's reconciliation of tax on pretax income from operation computed at the applicable statutory rates to tax expense are as follows:

		2021		2020		2019
Statutory income tax	**P**	**(3,582,701)**	P	(3,759,549)	P	(2,045,834)
Adjustments resulting from:						
Income subjected to final taxes		**(691,085)**		(1,073,412)		(1,931,953)
Income exempt from income tax		**(221,037)**		(33,330)		-
Non-deductible expenses		**1,859,559**		1,108,167		2,050,931
Effect of unrecognized deductible temporary differences		**3,542,196**		5,543,206		5,606,111
Tax expense reported in the statements of comprehensive income	**P**	**906,932**	P	1,785,082	P	3,679,255

- The Group did not recognize the balance of the deferred tax assets on net operating loss carry over (NOLCO), excess MCIT and other temporary differences because management believes that the related deferred tax assets may not be recovered. The breakdown of deferred tax assets, which can still be applied if the Group has taxable income in the future, are as follows:

	2021	2020
Allowance for impairment losses	**P 4,833,390**	P 5,800,068
Accrued retirement	**3,765,703**	4,056,483
Excess MCIT	**363,648**	362,617
Net operating loss carryover (NOLCO)	**11,505,520**	16,619,493
	P 20,468,261	P 26,838,661

- The carry-forward benefits of the NOLCO and the excess of the MCIT over the regular corporate income tax, which can be claimed by the Group as credits against the regular corporate income tax due, are as follows:

	NOLCO				
Year Incurred	**Amount**	**Applied Previous Year**	**Expired**	**Remaining Balance**	**Expiry**
2018	P 21,547,188	P -	P 21,547,188	P -	2021
2019	17,365,201	-	-	17,365,201	2022
2020	16,485,921	-	-	16,485,921	2025
2021	12,170,956	-	-	12,170,956	2026
	P 67,569,266	P -	P 21,547,188	P 46,022,078	

	MCIT				
Year Incurred	**Amount**	**Applied**	**Expired**	**Remaining Balance**	**Expiry**
2018	P 115,425	P -	P 115,425	P -	2021
2019	149,934	-	-	149,934	2022
2020	97,258	-	-	97,258	2023
2021	116,456	-	-	116,456	2024
	P 479,073	P -	P 115,425	P 363,648	

NOLCO
On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which provide that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act
On February 1, 2021, the Bicameral Conference Committee, approved the House Bill No. 4157 and Senate Bill No.1357 (the CREATE) which seeks to reduce the corporate income tax rates and to rationalize the current fiscal incentives by making it time-bound, targeted and performance-based. CREATE pursues to dynamically fight the effects of COVID-19 and help businesses to recover as quickly as possible.

Among the reforms provided under CREATE Act are the following:

(i) Reduction in Corporate Income Tax rate effective July 1, 2020 as follows:

- Those with assets amounting to P100,000,000 and below, and with taxable income equivalent to P5,000,000 and below will be subjected to a 20% tax rate;
- Those with assets above P100,000,000 or those with taxable income amounting to more than P5,000,000 will be subjected to a 25% tax rate.

(ii) Effective July 1, 2020 until June 30, 2023, the MCIT rate shall be one percent (1%).

26. JOINT ARRANGEMENTS

Sta. Lucia Realty and Development, Inc. (SLRDI)
On April 19, 2005, the Parent Company entered into a Memorandum of Agreement on Property Development (the “Agreement”) with Sta. Lucia Realty and Development, Inc. (Sta. Lucia), as developer and Asian Pacific Estates Development Corporation and Asian Empire Corporation as co-landowners, whereby Sta. Lucia will develop into residential and commercial subdivisions the parcels of land situated at Pinmaludpod, Urdaneta owned by the Parent Company and the co-landowners. For this jointly-controlled asset, the Parent Company contributed 232,540 square meters of raw land. As part of the Agreement, Sta. Lucia is entitled to 55% of the developed saleable lots while the remaining 45% will be allocated to the Company and co-landowners. The release of the title of the developed saleable lots is subject to the terms and conditions set out in the Agreement. The carrying amount of property contributed, which pertains to the parcel of land, amounted to P78,969,783 as of December 31, 2021 and 2020.

The Parent Company engaged the services of a consultant to process the Parent Company’s application for the DAR Land Use Conversion (LUC) for the property. On October 31, 2012, the Department of Agriculture issued the Certificate of Eligibility for Reclassification of Agricultural Lands. On April 16, 2013, the Parent Company filed the application for DAR LUC for 4.68 hectares, the initial area for development, which was approved by DAR on August 22, 2013. The residential subdivision plan/site development plan for the 4.68 hectares, which is the initial area for development, has been prepared consisting of two hundred (200) saleable lots and the Parent Company is now considering the proposed house designs for the single detached and duplex housing units. In 2017, the Parent Company filed another application for DAR LUC for 17.17 hectares which was approved in April 4, 2019. The DAR required the Parent Company to place a bond amounting to P10,731,250, against any premature conversion activity or development on the subject property. The cash bond is refundable upon issuance of the order of conversion or convertible into performance bond at the Parent Company’s option.

The movement of this account is as follows:

		2021		2020
Balance, January 1	**P**	**78,969,783**	P	77,493,517
Additions		**-**		1,476,266
Balance, December 31	**P**	**78,969,783**	P	78,969,783

This account is included in Investment Properties.

Additions to Sta. Lucia Joint Venture represent expenses incurred in connection with the Parent Company’s application to the DAR LUC for the property. Apart from contributing the parcels of land, there are no other capital commitments that were required by the other venturers.

Robinsons Land Corporation (RLC)
On December 21, 2006, the Parent Company entered into a Joint Venture (JV) Agreement with Robinsons Land Corporation (the developer), whereby the Parent Company contributed three (3) parcels of land located in Tagaytay City, with an approximate land area of 9,372 square meters. Robinsons Land Corporation (formerly Robinsons Homes, Inc.) will develop a high density two-phase residential subdivision, consisting of five (5) 5-storey residential condominium buildings. Under the agreement, the Parent Company and the Developer shall share in the development of Phase I, consisting of 2 Medium Rise Buildings with a land area of 2,606 square meters. By dividing the saleable floor area of Phase I between them, the Parent Company will be entitled to a saleable floor area of 464.88 square meters equivalent to 9 units. The development of Phase 2, consisting of 3 Medium Rise Buildings, with a land area of 3,909 square meters shall also be undertaken by the developer.

On May 14, 2009, the Parent Company signed the Addendum to the Joint Venture Agreement with Robinsons Land Corporation for the development of Phase 2 and the Parent Company will be entitled to a saleable floor area of 800 square meters which is equivalent to 16 units.

On March 9, 2018, the Parent Company entered into a Termination Agreement of the Joint Venture Agreement wherein Robinsons Land Corporation will turn-over three (3) unsold condominium units, out of the twenty-five (25) units assigned to the Parent Company and shall continue to manage the six (6) remaining condominium units enrolled under the Lease-to-Own Program of Robinsons Land Corporation. On March 16, 2018, the Parent Company entered into a Memorandum Agreement with Robinsons Land Corporation for compensation for the excess developed area in the JV project wherein Robinsons Land Corporation will assign to the Parent Company Parking Slot No. 14 in Building C and waive payment of prior years' real property taxes amounting to P96,128.

The above arrangements were accounted as "Joint Operation" in accordance with PFRS 11, *Joint Arrangements*.

27. OPERATING SEGMENTS

The Group's businesses are organized and managed separately according to the nature of products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The segment information in the consolidated financial statements as of December 31, 2021, 2020 and 2019 are as follows:

	As of December 31, 2021		
	Real estate	Corporate and others	Total
Segment revenue	**P 36,174,135**	**P 3,341,261**	**P 39,515,396**
Segment result	**(13,567,844)**	**(762,958)**	**(14,330,802)**
Segment asset	**237,576,214**	**411,086,654**	**648,662,868**
Segment liabilities	**14,042,654**	**17,794,355**	**31,837,009**
Segment cash flows			
Operating	**(1,614,914)**	**2,001,579**	**386,665**
Investing	**(84,866)**	**(58,384,311)**	**(58,469,177)**
Other information:			
Depreciation	**-**	**1,818,273**	**1,818,273**
Capital expenditures	**-**	**84,866**	**84,866**

	As of December 31, 2020					
		Real estate		Corporate and others		Total
Segment revenue	P	23,295,532	P	9,701,155	P	32,996,687
Segment result		(18,407,468)		5,875,639		(12,531,829)
Segment asset		258,994,794		449,305,226		708,300,020
Segment liabilities		12,419,270		15,304,247		27,723,517
Segment cash flows						
Operating		(10,575,871)		514,684		(10,061,187)
Investing		(1,841,896)		11,842,576		10,000,680
Other information:						
Depreciation		-		1,818,273		1,818,273
Capital expenditures		-		1,841,896		1,841,896

	As of December 31, 2019					
		Real estate		Corporate and others		Total
Segment revenue	P	42,654,249	P	18,256,205	P	60,910,454
Segment result		(25,971,680)		19,152,235		(6,819,445)
Segment asset		267,911,114		451,478,889		719,390,003
Segment liabilities		11,600,942		13,245,647		24,846,589
Segment cash flows						
Operating		7,040,458		(18,189,833)		(11,149,375)
Investing		(886,280)		18,924,469		18,038,189
Financing		-		-		-
Other information:						
Depreciation		-		1,897,414		1,897,414
Capital expenditures		-		886,280		886,280

Reconciliation between segment information and consolidated financial statements is shown below:

	2021	2020	2019
Total segment results	**P (14,330,802)**	P (12,531,829)	P (6,819,445)
Income tax expense	**(906,932)**	(1,785,082)	(3,679,255)
Loss for the period	**P (15,237,734)**	P (14,316,911)	P (10,498,700)

28. OTHER MATTERS

Commitment and contingencies

The following are the significant commitments and contingencies involving the Group.

a. The Parent Company filed an appeal with the Office of the Secretary of the Department of Agrarian Reform (DAR) on October 15, 2002 for the reversal of a Resolution promulgated by the Regional Director of the Department of Agrarian Reform, Cordillera Administrative Region, reversing an earlier Order granting the application of the Parent Company for exemption of its landholdings in Banangan, Sablan, Benguet from the coverage of the Comprehensive Agrarian Reform Program (CARP). This landholding is included as part of Investment Properties in the consolidated statements of financial position. On August 22, 2012, DAR issued an Order granting Omico's appeal for exemption from CARP coverage, pursuant to Section 10 of R.A. 6657, of Omico's lot property situated at Banangan, Sablan, Benguet consisting of 6.6217 hectares. On July 13, 2016, a Certificate of Finality of the DAR Order dated August 22, 2012 was issued by the DAR - Bureau of Agrarian Legal Assistance Office.

b. The Group is either a defendant or plaintiff in lawsuits and legal actions arising from its various business activities. Management believes that the claims against the Group are either without merit or that the ultimate liability, if any, resulting from lawsuits and legal actions will not materially affect the Group's consolidated financial statements.

Non-cash investing activities
Excluded in the consolidated statements of cash flows is the reclassification of a certain property from real estate for sale to investment property amounting to P12,116,785 in 2019.

Reclassification
Certain accounts in 2020 and 2019 consolidated financial statements were reclassified to conform with the presentation of 2021 consolidated financial statements. The reclassification did not have significant impact on the consolidated financial statements taken as a whole.

Effects of COVID-19 Pandemic
On March 11, 2020, the World Health Organization declared a global pandemic as a result of increasing number of COVID-19 cases worldwide. This was followed by the President of Philippines' issuance of Presidential Proclamation Order No. 929 declaring a State of Calamity in the Country from the COVID-19 outbreak.

Different quarantine classifications were imposed nationwide which resulted to disruptions in business and economic activities and their impact on business continue to evolve. Internally, the Parent Company continues to adapt to these including implementation of the following:

- Work-from-home arrangement for certain office and field personnel;
- Online meeting and discussion with client;
- Use of mobile banking and online platforms for certain financial transactions;
- Virtual annual stockholders' meeting and board meetings, subject to SEC Rules and Guidelines;
- Virtual board committee meetings.

Considering the evolving nature of this outbreak, the Group continues to monitor the situation and will take further actions as necessary and appropriate in response to these economic disruptions and other consequences.

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 8638-3430 to 32; Fax: (632)8638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until August 13, 2024
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100015-001-2019, valid until September 12, 2022

Independent Auditors' Report on Supplementary Schedules

The Board of Directors and Stockholders
OMICO CORPORATION AND SUBSIDIARIES
Suite 1109 East Tower, Tektite Towers
Exchange Road, Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Omico Corporation and its subsidiaries (the Group) as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, included in this Form 17-A, and have issued our report thereon dated March 28, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

R. R. TAN AND ASSOCIATES, CPAs

By: **CHESTER NIMITZ F. SALVADOR**
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 8131887, January 12, 2022, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-000251-003-2019, valid until June 12, 2022

March 28, 2022
Pasig City

Omico Corporation and Subsidiaries
Index to the Consolidated Financial Statements and Supplementary Schedules
Under Revised Securities Regulation Code Rule 68
December 31, 2021

Table of Contents

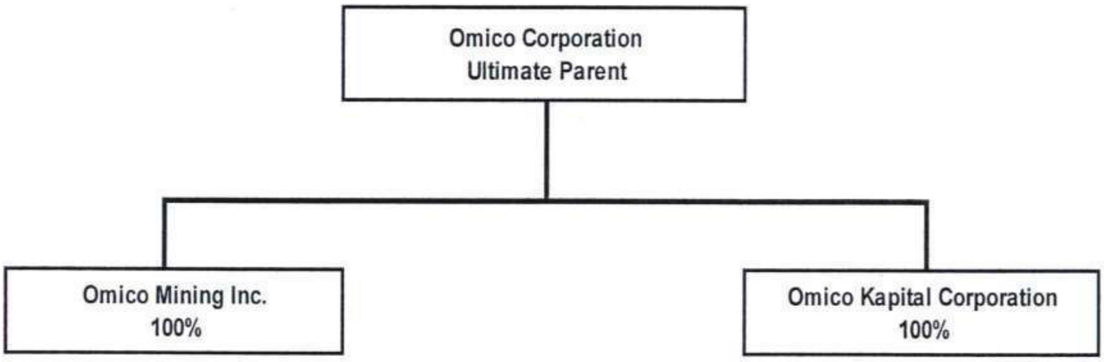
Omico Corporation and Subsidiaries
Schedule I - Financial Soundness Indicators

Key Performance Indicators	Formula	For the Year Ended December 31	
		2021	**2020**
A. Current/Liquidity Ratio			
Current Ratio	Current Assets / Current Liabilities	**26.51:1**	31.92:1
Quick Ratio	Current Assets - Inventory - Other Current Assets / Current Liabilities	**24.19:1**	28.16:1
B. Solvency Ratio/Debt-to-Equity Ratio			
Solvency Ratio	Net Income Before Depreciation and Amortization / Total Liabilities	**(0.50):1**	(0.39):1
Debt-to-Equity Ratio	Total Liabilities / Total Equity	**0.05:1**	0.04:1
C. Asset to Equity Ratio			
Asset-to-Equity Ratio	Total Assets / Total Equity	**1.05:1**	1.04:1
D. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)	Profit Before Tax Add: Depreciation and Amortization Foreign Exchange Loss Interest Expense Less: Interest Income	**(P17.0) Million**	(P19.6) Million
E. Profitabilty Ratios			
Profit Before Tax Margin Ratio	Profit (Loss) Before Tax / Total Revenue	**(36.27%)**	(37.98%)
Return on Assets	Net Income / Average Total Assets	**(2.25%)**	(2.01%)
Return on Equity	Net Income / Average Total Equity	**(2.35%)**	(2.08%)

Omico Corporation and Subsidiaries
Schedule II - Parent Company Reconciliation of Retained Earnings Available for Dividend Declaration
DECEMBER 31, 2021

Deficit as at December 31, 2020, *as previously reported*			P (390,878,034)
Add (Less): Cumulative mark to market loss on FVPL financial asset			3,550,235
Deficit as at December 31, 2020, *as adjusted*			(387,327,799)
Add: Net loss actually incurred during the period			
Net loss during the period closed to deficit		(15,238,012)	
Less:	Non-actual/unrealized income net of tax	-	
	Equity in net income of associate/joint venture	-	
	Unrealized foreign exchage gain - net (except those attributable to cash and cash equivalents)	-	
	Unrealized actuarial gain	-	
	Fair value adjustment (mark-to-market gains)	-	
	Fair value adjustment of investment property resulting to gain	-	
	Recognized deferred tax asset that increased the net income	-	
	Adjustment due to deviation from PFRS/GAAP - gain	-	
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-	
Subtotal		-	
Add:	Non-actual losses		
	Depreciation on revaluation increment (after tax)	-	
	Unrealized actuarial loss	-	
	Fair value adjustment (mark-to-market losses)	3,718,416	
	Adjustment due to deviation from PFRS/GAAP - loss	-	
	Loss on fair value adjustment of investment property (after tax)	-	
Subtotal		3,718,416	
Net loss actually incurred during the period			(11,519,596)
Add(less):			
	Dividend declarations during the period	-	
	Appropriations of retained earnings during the year	-	
	Reversals of appropriations	-	
	Revaluation surplus realized through sale	-	
	Treasury shares	-	
Subtotal			-
Deficit as at December 31, 2021			P (398,847,395)

Omico Corporation and Subsidiaries
Schedule III - A Map Showing the Relationship Between and Among the Parent Company and its Subsidiaries
December 31, 2021



Omico Corporation and Subsidiaries
Schedule A - Financial Assets
December 31, 2021

Name of Issuing Entity and Association of Each Issue	Number of Share or Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Valued based on Market Quotation at End of Reporting Period	Income Received and Accrued
Cash on hand and in banks	NA	P 52,440,315	P 52,440,315	P 80,343
Short-term placements	NA	266,969,783	266,969,783	2,583,237
Cash and cash equivalents		319,410,098	319,410,098	2,663,580
Installment contract receivables	NA	20,707,851	20,707,851	1,639,319
Due from HDMF	NA	11,946,875	11,946,875	-
Advances to officers and employees	NA	2,216,047	2,216,047	-
Other receivables	NA	509,192	509,192	-
Receivables		35,379,965	35,379,965	1,639,319
Empire East Land Holdings Inc.	1,230,500	313,778	313,778	-
Megaworld Corporation	1,000	3,150	3,150	-
Security Bank Corporation	199	23,681	23,681	-
SM Prime Holdings, Inc.	1,505	51,020	51,020	-
APC Group Inc.	28,000	6,160	6,160	-
Waterfront Phillipines Inc.	22,000	10,120	10,120	-
Cosco Capital, Inc.	392,200	2,039,440	2,039,440	-
Apollo Global Capital, Inc.	3,000,000	240,000	240,000	-
Ayala Land, Inc.	100,000	3,670,000	3,670,000	-
Puregold Price Club, Inc.	403,300	15,849,690	15,849,690	-
BDO Unibank, Inc.	15,000	1,810,500	1,810,500	-
DDMP REIT, Inc.	8,500,000	15,215,000	15,215,000	-
DITO CME Holdings Corp.	650,000	3,282,500	3,282,500	-
Synergy Grid & Development Phils., Inc.	1,500,000	19,680,000	19,680,000	-
The Keepers Holdings, Inc.	200,000	264,000	264,000	-
MerryMart Consumer Corp.	50,000	125,500	125,500	-
GT Capital Holdings, Inc.	2,000	1,080,000	1,080,000	-
ABS-CBN Corporation	100,000	1,260,000	1,260,000	
Cemex Holdings Philippines, Inc.	260,000	273,000	273,000	-
Financial assets at fair value through profit or loss	16,455,704	65,197,538	65,197,538	-
Macawiwili Gold Mining and Development Co., Inc.	33,709,009	337,090	337,090	-
Manila Southwoods	2	3,400,000	3,400,000	-
Tagaytay Midlands	1	900,000	900,000	-
Financial assets at fair value through OCI	33,709,012	4,637,090	4,637,090	-
Advances and other receivables	NA	15,096,516	15,096,516	-
Other non-current assets		15,096,516	15,096,516	-
Total		P 439,721,207	P 439,721,207	P 4,302,899

Omico Corporation and Subsidiaries
Schedule B - Amount Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2021

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
Receivable from officer and employees	P 2,217,470	P 906,937	P 908,360	P -	P 2,216,047	P -	P 2,216,047

Omico Corporation 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 Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
Subsidiaries:							
Omico Kapital Corporation	P 347,377	P 23,180	P -	P -	P 370,557	P -	P 370,557
Omico Mining Inc.	6,293,655	17,589	-	-	6,311,244	-	6,311,244
	P 6,641,032	P 40,769	P -	P -	P 6,681,801	P -	P 6,681,801

Omico Corporation and Subsidiaries
Schedule E - Indebtedness to Related Parties
December 31, 2021

Related Party	Balance at Beginning of Period	Balance at End of Period
Omico Kapital Corporation	P 221,084,873	P 221,084,873

OMICO CORPORATION
Schedule G - Capital Stock
December 31, 2021

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Convertion and other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common shares - P1.00 par value	2,000,000,000	1,050,461,673	-	-	148,444,850	902,016,823

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

					3	6	1	9	0

COMPANY NAME

O M I C O   C O R P O R A T I O N

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

S U I T E   1 1 0 9   E A S T   T O W E R

T E K T I T E   T O W E R S ,   E X C H A N G E   R O A D

O R T I G A S   C E N T E R ,   P A S I G   C I T Y

Form Type	Department requiring the report	Secondary License type, If Applicable
A A F S	I C T D	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Numbers	Mobile Number
	8637-6923 to 25	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
	May/Last Friday	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
JUANA LOURDES M. BUYSON	jeannieb@omico.com.ph	8637-6923 to 25	

CONTACT PERSON's ADDRESS

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

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

OMICO CORPORATION

PARENT COMPANY FINANCIAL STATEMENTS
December 31, 2021 and 2020

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **OMICO CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Tommy Kin Hing Tia
Chairman, Board of Directors

BIR - RR7B - EAST NCR
RDØ 43 - PASIG CITY
RECEIVED
11 APR 2022
Pagbabayad ng Buwis sa Bayan
Tatak ng Kabayanihan
MARIEN REIAH N. BULATAO (Compliance Section)

Anna Mei Nga Tia
President/CEO

Juana Lourdes M. Buyson
Treasurer

MAR 2 8 2022

SUBSCRIBED AND SWORN to before me this __________day of ________ affiants presented to me their respective proof or identification, to wit:

Name	Type of Identification
Tommy Kin Hing Tia	TIN 105-834-884
Anna Mei Nga Tia	TIN 103-915-047
Juana Lourdes M. Buyson	TIN 131-482-310

all known to me and to me known to be the same persons who executed the foregoing Statement of Management's Responsibility for Financial Statements.

IN WITNESS WHEREOF, I have hereunto affixed my notary seal at the date and place first above written.

ATTY. FERDINAND D. AYAHAO
Notary Public
Appointment No. 184 (2020-2021)
Extended Until June 30, 2022
For Pasig City, Pateros and San Juan City
Roll No. 46377; MCLE VI-0025705; 04-02-19
IBP LRN 02459; O.R. No. 535886; 06-21-2001
TIN 123-011-785; PTR 8129984; 01-05-22; Pasig
Unit 5, G/F West Tower PSE Bldg., Exchange Road
Ortigas Center, Pasig City Tel. 0285452321

Doc. No. 310
Page No. 63
Book No. 136
Series of 2022

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
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Report of Independent Public Accountants

The Board of Directors and Stockholders
OMICO CORPORATION
Suite 1109 East Tower, Tektite Towers
Exchange Road, Ortigas Center, Pasig City

BIR - RR7B - EAST NCR
RDØ 43 - PASIG CITY
RECEIVED
11 APR 2022
Pagbabayad ng Buwis sa Bayan
Tatak ng Kabayanihan
MARIEN REIAH N. BULATAO (Compliance Section)

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Omico Corporation (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion
We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, the description of how our audit addressed the matter is provided in that context.

Revenue Recognition on Real Estate Sales and Determination of Cost of Real Estate Sales

The Company's revenue recognition process, policies and procedures on real estate sales are significant to our audit because these involve the application of significant judgment and estimation.

Real estate sales and cost of real estate sales amounted to P34,534,816 or 87.40% of total revenue and P24,752,492 or 45.97% of total cost and expenses, respectively, for the year ended December 31, 2021. The areas affected by revenue and cost recognition, which requires significant judgments and estimates, include determining when a contract will qualify for revenue recognition, particularly on the assessment of the probability of collecting the contract price; 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 to be transferred out to cost of real estate sales. These areas were significant to our audit as an error in application of judgments and estimates could cause a material misstatement in the financial statements.

The Company's policy for revenue and cost recognition are fully described in Note 3 to the financial statements. The significant judgments applied and estimates used by management related to revenue recognition and real estate inventories are described in Note 5 to the financial statements. Real estate sales and cost of real estate sales are disclosed in Notes 20 and 21 to the financial statements.

Audit Procedures Conducted
We obtained an understanding of the Company's revenue recognition policy and the related processes and evaluated whether it is established and implemented consistent with the underlying principles of the applicable revenue recognition standard and is appropriate in the context of the Company's real estate transactions.

We evaluated the design effectiveness of implemented controls relevant to the recognition and measurement of revenues from real estate sales, tested the operating effectiveness of certain relevant controls, particularly those addressing the existence and occurrence of recognized sales.

We inspected pertinent documents giving rise to contract with identified customers, on a sample basis, which include contract-to-sell, disclosure statements detailing the terms of the sales contracts, and official receipts to determine whether the related real estate sales transactions occurred and were appropriately recognized based on the Company's revenue recognition policy.

We evaluated the assumptions of management in determining the amount of collection at which point the collectability of the receivables from real estate sales is reasonably assured. Evaluation of management's basis was made by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. Impact of the COVID-19 pandemic to the level of cancellations was also considered.

In relation to cost of real estate sales, we obtained an understanding of the Company's cost accumulation process and performed tests of the relevant controls. On a sampling basis, we traced costs accumulated to supporting documents such as invoices, accomplishment reports and official receipts.

Going Concern Assessment

The Company has been incurring losses for the past years, as revenues are not enough to cover the cost of operations. While some of its investment properties may provide revenues, the same have become idle since management is still determining the most advantageous and profitable project. In addition, because of the COVID-19 pandemic, there is a heightened level of uncertainty on the future economic outlook and market forecast. We consider this a key audit matter because a steady stream of revenues and cash, coupled with efforts in managing cost and expenses, will provide financial strength for the Company.

The investment properties for which housing projects are given due consideration and their corresponding fair values are disclosed in Note 16 to the financial statements.

Audit Procedures Conducted
We thoroughly discussed with management the prospect of launching real estate projects covering the Company's investment properties, which may include a joint venture operation with other property developers. To support management's assertion regarding its probability, we made on-site inspections of certain properties to determine the feasibility and marketability of real estate projects.

We also evaluated the appropriateness of management's determination of the disclosed fair value of investment properties. We have reviewed the reasonableness of the assumptions used to estimate the fair value of these investment properties by testing raw land's value by comparison with similar properties, verifying proposal to buy/sell the properties or adjacent properties thereto and verifying valuation inputs such as size, location, neighborhood and road network.

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on the Supplementary Information Required Under Revenue Regulation (RR) 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Company's supplementary information disclosed in Note 30 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Chester Nimitz F. Salvador

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 8131887, January 12, 2022, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-000251-003-2019, valid until June 12, 2022

March 28, 2022
Pasig City

OMICO CORPORATION
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	Notes		2021		2020
ASSETS					
Current Assets					
Cash and cash equivalents	8	P	319,159,829	P	377,217,611
Financial assets at fair value through profit or loss	9		65,197,538		3,590,757
Receivables	10		21,202,123		18,895,592
Real estate for sale	11		35,811,261		50,304,691
Prepayments and other current assets	12		3,126,688		3,058,042
Total Current Assets			444,497,439		453,066,693
Non-current Assets					
Installment contract receivable - net of current portion	10		14,177,842		15,138,382
Financial assets at fair value through other comprehensive income (FVOCI)	13		4,637,090		53,150,000
Investment in subsidiaries	14		202,500,000		202,500,000
Property and equipment - net	15		3,222,687		4,817,413
Investment properties	16		166,781,025		166,781,025
Other non-current assets - net	17		15,096,516		15,096,516
Total Non-current Assets			406,415,160		457,483,336
TOTAL ASSETS		P	850,912,599	P	910,550,029
LIABILITIES AND EQUITY					
Current Liabilities					
Accounts payable and accrued expenses	18	P	16,774,197	P	14,201,905
Due to subsidiary	24		221,084,873		221,084,873
Total Current Liabilities			237,859,070		235,286,778
Non-current Liabilities					
Accrued retirement liability	23		15,062,812		13,521,612
Total Liabilities			252,921,882		248,808,390
Equity					
Share capital	19		1,050,461,673		1,050,461,673
Additional paid-in capital			78,000		78,000
Fair value gain on FVOCI financial assets	13		(46,432,910)		2,080,000
Deficit			(406,116,046)		(390,878,034)
Total Equity			597,990,717		661,741,639
TOTAL LIABILITIES AND EQUITY		P	850,912,599	P	910,550,029

See accompanying notes to financial statements

OMICO CORPORATION
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Notes		2021		2020
REVENUES					
Real estate sales	20	P	34,534,816	P	22,010,500
Investment and other income - net	20		4,980,302		10,985,954
			39,515,118		32,996,454
COST AND EXPENSES					
Cost of real estate sales	21		24,752,492		18,825,074
Administrative expenses	22		27,361,461		25,711,100
Selling expenses			1,732,245		1,023,491
			53,846,198		45,559,665
LOSS BEFORE INCOME TAX			(14,331,080)		(12,563,211)
INCOME TAX EXPENSE	26		906,932		1,785,082
LOSS FOR THE YEAR			(15,238,012)		(14,348,293)
OTHER COMPREHENSIVE INCOME					
Amount to not be reclassified to profit or loss in subsequent periods:					
Fair value changes in FVOCI financial assets	13		(48,512,910)		350,000
TOTAL COMPREHENSIVE LOSS		P	(63,750,922)	P	(13,998,293)
BASIC/DILUTED EARNINGS (LOSS) PER SHARE	25	P	(0.014506)	P	(0.013659)

See accompanying notes to financial statements

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OMICO CORPORATION
PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Notes		2021		2020
SHARE CAPITAL	19	P	**1,050,461,673**	P	1,050,461,673
ADDITIONAL PAID-IN CAPITAL			**78,000**		78,000
FAIR VALUE GAIN (LOSS) ON FVOCI FINANCIAL ASSETS					
Balance at beginning of year			**2,080,000**		1,730,000
Fair value changes in FVOCI financial assets	13		**(48,512,910)**		350,000
Balance at end of year			**(46,432,910)**		2,080,000
DEFICIT					
Balance at beginning of year			**(390,878,034)**		(376,529,741)
Loss for the year			**(15,238,012)**		(14,348,293)
Balance at end of year			**(406,116,046)**		(390,878,034)
		P	**597,990,717**	P	661,741,639

See accompanying notes to financial statements

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OMICO CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		P (14,331,080)	P (12,563,211)
Adjustments for:			
Fair value (gain) loss on FVPL financial assets	9,20	3,718,416	(9,026,184)
Depreciation	15	1,679,592	1,818,273
Provision for credit losses	10	40,769	75,458
(Gain) Loss on sale of FVPL financial assets	9,20	(3,262,942)	7,465,657
Gain on sale of transportation equipment	20	-	(209,821)
Unrealized foreign exchange loss	20	(25,008)	24,681
Retirement expense	23	1,541,200	1,616,413
Dividend income	20	(884,148)	(111,099)
Interest income	20	(2,663,302)	(7,643,593)
Operating Loss Before Working Capital Changes		(14,186,503)	(18,553,426)
(Increase) decrease in receivables		(1,516,977)	1,532,400
Decrease in real estate for sale		14,493,430	8,196,191
(Increase) decrease in prepayments and other current assets		430,032	(295,503)
Increase in accounts payable and accrued expenses		2,572,291	1,260,516
Cash provided by (used in) operations		1,792,273	(7,859,822)
Cash paid for taxes		(1,405,608)	(2,232,514)
Net Cash Provided by (Used in) Operating Activities		386,665	(10,092,336)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of:			
FVPL financial assets		42,576,231	30,886,509
Transportation equipment		-	209,821
Additions to:			
FVPL financial assets		(104,638,486)	(27,722,741)
Property and equipment	15	(84,866)	(365,630)
Investment properties	27	-	(1,476,266)
Dividend received		884,148	111,099
Interest received		2,793,518	8,357,655
Net Cash Provided by (Used in) Investing Activities		(58,469,455)	10,000,447
DECREASE IN CASH AND CASH EQUIVALENTS		(58,082,790)	(91,889)
EFFECT OF FOREIGN EXCHANGE LOSS ON CASH AND CASH EQUIVALENTS	20	25,008	(24,681)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(58,057,782)	(116,570)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		377,217,611	377,334,181
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 319,159,829	P 377,217,611

See accompanying notes to financial statements

OMICO CORPORATION
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. CORPORATE INFORMATION AND STATUS OF OPERATIONS

Corporate Information
Omico Corporation (the "Parent Company or the Company") was incorporated in the Philippines and was registered with the Securities and Exchange Commission ("SEC") on August 30, 1968. Its corporate term was extended to another fifty (50) years from and after the date of expiration of its first fifty (50)-year term on August 29, 2018, as per SEC Certificate of Filing of Amended Articles of Incorporation dated October 21, 2015. It holds 100% interest both in Omico Kapital Corporation, a subsidiary which ceased operations in 1997, and Omico Mining Inc. *(formerly Omico-Ivanhoe Mining Inc).* The Parent Company listed its shares of stock in the Philippine Stock Exchange on May 2, 1969.

The Parent Company's main business activities are mining exploration and property development. It is licensed to operate, prospect, mine, and deal with all kinds of ores, metals and minerals.

The mining exploration segment is engaged in the exploration activities of mine site while the property development segment is engaged in the marketing and sale of real estate and evaluation of future development of other real estate properties.

The registered office of the Parent Company is located at Suite 1109 East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City. Omico Corporation has no ultimate Parent Company.

The financial statements of the Parent Company as of and for the year ended December 31, 2021 and 2020 were authorized for issue by the Parent Company's Board of Directors on March 28, 2022.

Status of Mining Operations
On August 29, 2012, the Parent Company terminated the Mining Agreement with Macawiwili Gold Mining and Development Co., Inc. (Macawiwili) entered in September 30, 1968. With this Agreement, the Parent Company has given the reins in managing the project to Macawiwili but remains an active minority investor in the venture.

Management decided to terminate the mining agreement with Macawiwili because Management would like to focus on other mining prospects/projects.

The Parent Company is still interested in investing in mining and is scouting for other mining projects to explore, manage, operate or invest either solely or in partnership with other entities.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance
The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as set forth in Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Basis of Financial Statements Preparation and Presentation
The financial statements have been prepared under the historical cost method except for:

- Financial instruments measured at amortized cost;
- Financial instruments which are valued at fair value; and

- Inventories at lower of cost and net realizable value (NRV)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Parent Company operates. All values represent absolute amounts except when otherwise indicated.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Parent Company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

These financial statements are prepared as the Parent Company's separate financial statements. The Parent Company's investments in Omico Kapital Corporation and Omico Mining Inc. are accounted at cost, less any impairment loss. Impairment loss is provided when there is objective evidence that the investment in subsidiary will not be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

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

Current versus non-current classification

The Parent Company presents assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading; ·
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

The Parent Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Parent Company classifies all other liabilities as non-current.

Financial Instruments

Date of Recognition

Financial assets and financial liabilities are recognized in the statements of financial position of the Parent Company when it becomes a party to the contractual provisions of the instrument.

Initial Recognition

All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of these financial instruments includes transaction costs.

Determination of Fair Value
The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Parent Company recognizes the difference between the transaction price and fair value in the statement of comprehensive income unless it qualifies for recognition as some other type of asset.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification and Measurement of Financial Assets
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. Except for financial assets at FVPL, all financial assets are initially measured at fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under PFRS 15.

The Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

- Financial Assets at Amortized Cost

  The Parent Company measures financial assets at amortized cost if both of the following conditions are met:

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

  Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized or impaired.

  The Parent Company's financial assets at amortized cost includes cash and cash equivalents and receivables.

- Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

  Equity instruments
  Upon initial recognition, the Parent Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under *PAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

  Subsequent to initial recognition, financial assets at FVOCI are carried at fair value. Gains and losses on these financial assets are never recycled to profit or loss. However, the Parent Company may transfer the cumulative gain or loss within equity. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Parent Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

Included in this category are the Parent Company's quoted and unquoted equity investments. *(see Note 13)*

Debt instruments
A debt financial asset is measured at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

As of December 31, 2021 and 2020, the Parent Company does not have debt instruments at FVOCI.

- Financial Assets at Fair Value through Profit or Loss (FVPL)

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

  Financial assets at FVPL are subsequently carried in the statement of financial position at fair value with net changes in fair value recognized in the statements of comprehensive income. Dividends are also recognized as other income in the statements of comprehensive when the right of payment has been established.

  As of December 31, 2021 and 2020, included in this category are the Parent Company's equity investments listed in Philippine Stock Exchange.

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

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

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

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

As of December 31, 2021 and 2020, included in this category are the Parent Company's accounts payable and accrued expenses and due to subsidiary.

Reclassification of Financial Assets
The Parent Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Parent Company is required to reclassify financial assets:

(i) from amortized cost to FVPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
(ii) from FVPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Parent Company's business model will be effected only at the beginning of the next reporting period following the change in the business model.

Impairment of Financial Assets
The Parent Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Parent Company applies a simplified approach in calculating ECLs. Therefore, the Parent Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Parent Company has established probability of default rates for third party trade receivables based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Parent Company applies the historical credit loss method in case undue cost or effort is involved in calculating the ECL by considering the forward-looking factors. For inter-group trade receivables, the Parent Company has established probability of default rates based on internal credit rating of the customers. Internal credit ratings are based on methodologies adopted by independent credit rating agencies. Therefore, the internal ratings already consider forward looking information.

The Parent Company considers a financial asset to be in default when contractual payments are 180 days past due. However, the Parent Company considers internal or external information when there are indicators that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Instruments

Financial Assets
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Parent Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party.
- the Parent Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

Where the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Parent Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Parent Company could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Cash and Cash Equivalents
Cash and cash equivalents are defined as 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. Cash and cash equivalents are initially measured at fair value.

Real Estate for Sale
Real estate for sale is carried at the lower of cost and net realizable value. Cost includes the value of land plus expenditures necessary to complete the housing units (materials and labor cost). Net realizable value is the estimated selling price in the ordinary course of business less cost to complete and sell the units. NRV is determined in a manner provided in note 5. As of December 31, 2021 and 2020, real estate inventories are carried at cost.

Prepayments and Other Current Assets
Prepayments and other current assets consist of input taxes, prepaid expenses and deposits. They are carried at cost less the amortized portion.

Investment in Subsidiaries
The Parent Company's investment in subsidiaries is accounted for in the Parent Company financial statements at cost, less any impairment loss. If there is objective evidence that the investment in subsidiaries will not be recovered, an impairment loss is provided. Impairment loss is measured as the difference between the carrying amount of the investment and the present value of the estimated cash flows discounted at the current market rate of return for similar financial asset. The amount of the impairment loss is recognized in profit or loss. Impairment losses recognized are not reversed.

Subsidiaries are entities over which the Parent Company has the power to govern the financial reporting policies generally accompanying a shareholding of more than one half of the voting rights. The Parent Company obtains and exercises control through voting rights. The existence and effect of potential voting rights that are currently exercisable and convertible are considered when assessing whether the Parent Company controls another entity.

Property and Equipment
Property and equipment are initially recognized at cost. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Property and equipment are subsequently stated at cost less accumulated depreciation and amortization. Expenditures for additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation or amortization of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is computed using the straight-line method over the stipulated useful lives of the assets as follows:

	Estimated useful life
Condominium units and improvements	15-25 years
Office furniture, fixtures and equipment	3-5 years
Transportation equipment	3-5 years

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.

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

An item of property and equipment 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 on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognized.

Investment Properties
Investment properties consist of parcels of land that are held for future development or capital appreciation or both and that is not occupied by the Parent Company. Investment properties are initially measured at cost and subsequently carried at cost, less accumulated impairment losses if any.

The Parent Company's investment properties consist of parcels of land.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from service and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of comprehensive income in the year of retirement or disposal.

Transfers are made to and from investment property when, and only when there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer is recorded using the carrying amount of the investment property at the date of change in use.

Joint Arrangements
For interests in jointly controlled assets, the Parent Company recognized in its financial statements the assets that it controls/contributed and the liabilities that it incurs, and the related income and expenses from the sale/development of the assets. No adjustment or other consolidation procedures are required since the assets, liabilities, income and expenses of the joint operation are recognized in the financial statements of the operator.

Impairment of Non-financial Assets
The carrying values of investments in subsidiaries, property and equipment and investment properties are reviewed for impairment when events or changes in circumstances indicate that their carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of investments in subsidiaries, property and equipment and investment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statements of comprehensive income.

If there is any indication at end of the reporting period that an impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the Parent Company estimates the recoverable amount of that asset and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Equity
Share capital is determined at the par value of shares that have been issued.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Fair value gain on FVOCI financial assets pertains to mark-to-market valuation of financial assets at fair value through other comprehensive income.

Deficit includes all current and prior period results of operations as disclosed in the statements of comprehensive income including changes in accounting standard in accordance with PAS 8.

Other comprehensive income comprises items of income and expenses (including items previously presented in the Statement of Changes in Equity) that are not recognized in the statements of income for the year in accordance with PFRS.

Earnings Per Share
Basic earnings per share is computed by dividing profit for the period by the weighted average number of shares issued and outstanding during the year.

Diluted EPS is computed by dividing the profit for the period by the weighted average number of shares issued and outstanding during the year plus the weighted average number of shares that would be issued on the conversion of dilutive potential shares.

Operating Segments
Operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated and for which discrete financial information is available. Financial information on operating segments is presented in Note 28.

Related Party Transactions
Parties are considered 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. The related party transactions are recognized based on transfer of resources or obligations between related parties, regardless whether a price is charged.

Revenue Recognition
Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at transaction price. Transaction price is the amount that reflects the consideration to which the Parent Company expects to be entitled to in exchange for those goods and services. The Parent Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

The following specific recognition criteria must be met before revenue is recognized:

- Real estate
  The Parent Company derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from substantially completed real estate projects where collectability of sales price is reasonably assured is accounted for using the full accrual method. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the seller. Revenue from sale of real estate projects under pre-completion stage are recognized over time during the construction period using the Percentage of Completion (POC) method where the Parent Company have material obligation under the sales contract to complete the project after the property is sold. In measuring the progress of its performance obligation over time, the Parent Company uses output method. The Parent Company recognizes revenue on the basis of direct measurements of the value to customers of the goods and services transferred to date, relative to the remaining goods and services promised under the contract. Progress is measured using survey performance completed to date.

  Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as installment contract receivables.

  Any excess of collections over recognized receivables are included in the "Customers' advances and deposits" account.

  If any of the criteria under full accrual or POC method is not met, the deposit method is applied until all the conditions for recording the sale are met. Pending recognition of sale, cash received from buyers are presented under "Customers' advances and deposits" account except when the underlying contract is a lease contract with option to purchase.

  Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

- Investment income
  Interest income is recognized as the interest accrues (taking into account the effective yield on the asset).

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

  Fair value gain (loss) represents all gain and losses for changes in fair values of financial assets at FVPL.

  Realized gain (loss) in sale of shares of stock is recognized upon sale.

- Gains
  Gains represent other items that meet the definition of income and may, or may not, arise in the course of ordinary activities of the Parent Company. Gains represent increases in economic benefits and have the same nature as revenue. These are recognized as income when earned.

<u>Costs Recognition</u>

- Cost of real estate sales
  Cost of real estate sales is recognized consistent with the revenue recognition method applied. Costs of subdivision lots and housing unit sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Parent Company's in-house technical team.

  The cost of inventory recognized in profit or loss on disposal is determined with reference to specific costs of the property. These costs are allocated to saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

- Administrative expense
  Administrative expenses are recognized in the statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or decrease in a liability has arisen that can be measured reliably.

  Administrative expenses are recognized in the statement of comprehensive income:

  (i) On the basis of a direct association between the costs incurred and the earning of specific items of income;
  (ii) On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can be broadly or indirectly determined; or
  (iii) Immediately when expenditures produce no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statement of financial position as an asset.

- Commission expense
  The Parent Company recognizes commission expense when services are rendered by agents. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

<u>Employee Benefits</u>
Retirement Benefit Obligation
Pension benefits are provided to employees based on the amounts required by law, under R.A. 7641.

The Parent Company has not yet established a formal retirement plan; however, it accrues the estimated cost of retirement benefits required by the provisions of RA No. 7641 (Retirement Law). Under RA 7641, the Parent Company is required to provide minimum retirement benefits to qualified employees. The retirement cost accrued includes normal cost and estimated past service cost.

Short-term Employee Benefits
Salaries and wages are recognized in the statements of comprehensive income when the employees' services have been rendered to the Parent Company.

<u>Leases</u>

At inception of a contract, the Parent Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Parent Company uses the definition of a lease in PFRS 16. This policy is applied to contracts entered into, on or after January 1, 2019.

As a Lessee
At commencement or on modification of a contract that contains a lease component, the Parent Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Parent Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Parent Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Parent Company by the end of the lease term or the cost of the right-of-use asset reflects that the Parent Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Parent Company's incremental borrowing rate. Generally, the Parent Company uses its incremental borrowing rate as the discount rate.

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual guarantee; and
- The exercise price under a purchase option that the Parent Company is reasonably certain to exercise, lease payments in an optional renewal period if the Parent Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Parent Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Parent Company's estimate of the amount expected to be payable under a residual value guarantee, if the Parent Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Parent Company used a number of practical expedients when applying PFRS 16 to leases previously classified as operating leases under PAS 17. In particular, the Parent Company:

- Did not recognized right-of-use assets and liabilities for leases for which the lease term ends within 12 months from the date of initial application;
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term.

Short-term Leases and Leases of Low-value Assets
The Parent Company has elected not to recognize right-of-use assets and lease liabilities for the leases of low-value assets and short-term leases. The Parent Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor
Leases where a significant portion of the risks and rewards of ownership over the asset are retained by the lessor, are classified as operating leases. Rental income on operating leases is recognized in profit or loss on a straight-line basis of accounting over the period of the lease.

Income Taxes
Current income 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 reporting period. They are calculated according to 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 the statements of comprehensive income.

Deferred tax is provided, using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet 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 carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of 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.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss in the statement of comprehensive income. Deferred tax items are recognized in relation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

Functional Currency and Foreign Currency Transactions
- *Functional and Presentation Currency*
  Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Philippine pesos, which is the Parent Company’s functional currency.

- *Transaction and Balances*

The accounting records of the Parent Company are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Provisions
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, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. 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. In addition, long-term provisions are discounted to their present values, where time value of money is material.

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 resources 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 financial statements.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Contingencies
Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Events after the End of Reporting Period
The Parent Company identifies subsequent events as events that occurred after the reporting period but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Parent Company's financial position at the balance sheet date are reflected in the financial statements.

Events that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CHANGES IN ACCOUNTING STANDARDS AND DISCLOSURES

New Accounting Standards and Amendments to Existing Standards Effective as of January 1, 2021
The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning January 1, 2021. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Parent Company.

Amendments to PFRS 16, *Leases – COVID-19-Related Rent Concessions Beyond June 30, 2021*
The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted. The Parent Company adopted the amendments beginning April 1, 2021. As there are no rent concessions granted to the Parent Company as a lessee, these amendments had no impact on the financial statements.

Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16 – *Interest Rate Benchmark Reform Phase 2*
The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Parent Company shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively. These amendments had no impact on the financial statements of the Parent Company.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2021
The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2021 are disclosed below. Except as otherwise indicated, the Parent Company does not expect the adoption of the applicable new and amended PFRS to have a significant impact on its financial position or performance.

Effective beginning on or after January 1, 2022

Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets or Philippine-IFRIC 21, Levies, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied prospectively.

Amendments to PAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*
The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before the asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2 *Inventories.*

The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

For the sale of items that are not part of the Parent Company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and costs are presented separately in the statement of comprehensive income.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments are not expected to have significant impact on the Parent Company's financial statements.

Amendments to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract: Cost of Fulfilling a Contract*
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments are effective for annual periods beginning on or after January 1, 2022. The amendments are not expected to have significant impact on the Parent Company's financial statements.

Annual Improvements to PFRSs (2018-2020 cycle)
The Annual Improvements to PFRSs (2018-2020 cycle) are effective for annual periods beginning or after January 1, 2022 and are not expected to have a significant impact on the Parent Company's financial statements.

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*
  The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

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

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

- PAS 41, *Agriculture, Taxation in fair value measurements*
  The amendment removes the requirement in paragraph 22 of PAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

Effective beginning on or after January 1, 2023

Amendments to PAS 12*, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have a material impact on the Parent Company.

Amendments to PAS 8, *Definition of Accounting Estimates*
The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Parent Company.

Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Parent Company.

Effective beginning on or after January 1, 2024

Amendments to PAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Parent Company is currently assessing the impact the amendments will have on current practice.

Effective beginning on or after January 1, 2025

PFRS 17, *Insurance Contracts*
PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of the financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- Identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- Divides the contracts into groups that it will recognize and measure;
- Recognizes and measures groups of insurance contracts at:

  i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset); or

ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);

- Recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- Presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- Discloses information to enable users of the financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.
PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The new standard is not applicable to the Parent Company since it has no activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely pending the final outcome of the IASB's research project on International Accounting Standards 28. Adoption of these amendments when they become effective will not have any impact on the financial statements.

5. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements. The judgments and estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates. Future events may occur which will cause the judgments and estimates used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments
In the process of applying the accounting policies of the Parent Company and its subsidiaries, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the financial statements:

- *Determination of control* - The Parent Company controls an entity if and only if the Parent Company has (i) Power over the entity, (ii) Exposure or rights to variable returns from its involvement with the entity, and (iii) The ability to use its power over the entity to affect the amount of Parent Company's returns.

The Parent Company regularly reassesses whether it controls an investee when facts and circumstances indicate that there are changes to one or more elements of controls above.

As of December 31, 2021 and 2020, the Parent Company determined that it exercise control over its subsidiaries.

- *Assessment of joint arrangement* – The Parent Company reviews the joint arrangement with its co-joint operators for any changes in facts and circumstances leading to the determination of joint control between joint operators. As of December 31, 2021 and 2020, Management has determined that its joint arrangements are in the nature of joint operation as guided by PFRS 11.

- *Recognition of deferred tax assets* – the Parent Company reviews the carrying amounts at the end of each reporting period and adjust the balance of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. As of December 31, 2021 and 2020, the Parent Company did not recognize deferred tax asset amounting to P21.93 million and P28.58 million, respectively, since it does not expect to have sufficient profit against which the deferred tax asset can be utilized. *(see Note 26)*
- *Classification of financial instruments* – the Parent Company classifies financial assets in their entirety based on the contractual cash flows characteristics of the financial assets and the Parent Company's business model for managing the financial assets. The Parent Company classifies its financial assets into the following measurement categories:

  a. Financial assets measured at amortized cost;
  b. Financial assets measured at fair value through profit or loss;
  c. Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are reclassified to profit or loss; and
  d. Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss.

  The Parent Company determines the classification at initial recognition and re-evaluates this classification at every reporting date.

- *Classification of property* – The Parent Company determines whether a property is classified as investment property or inventory as follows:

  a. Investment property comprises land which are not occupied substantially for use by, or in the operations of the Parent Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

  b. Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Parent Company develops and intends to sell before or on completion of construction.

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

- *Litigations* – The Parent Company is currently involved in some legal proceedings. While estimates have been developed on possible outcome of these cases, management believes that the ultimate outcome will not have a material effect on the financial statements. However, a change in underlying estimates could affect financial statements in the future.

As of December 31, 2021 and 2020, there were no provisions for litigation in the accompanying financial statements.

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

- *Determination of fair value of assets and liabilities* - The Parent Company measures fair value of assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

  Level 1
  Included in the Level 1 category are assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. Assets and liabilities are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Parent Company, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

  Level 2
  Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

  Level 3
  Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

  Fair value measurement is discussed in Note 6.

- *Impairment of non-financial assets* – the Parent Company assesses whether there are indications of impairment on its long-lived assets, at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units to which the assets belong. Estimating the value-in-use requires the Parent Company to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

- *Provisions* – the Parent Company provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provisions is based on known information at end of the reporting period, net of any estimated amount that may be reimbursed to the Parent Company and its subsidiaries. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

- *Estimating useful lives and residual values of property and equipment* – the Parent Company estimates the useful lives and residual values of property and equipment based on the internal technical evaluation and experience. Estimated lives of property and equipment are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of the assets.

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

	Estimated useful life
Condominium units and improvements	15-25 years
Office furniture, fixtures and equipment	3-5 years
Transportation equipment	3-5 years

- *Estimating NRV of Real Estate Inventories* – The carrying value of real estate inventories is carried at lower of cost and NRV. The estimates used in determining NRV is dependent on the recoverability of its cost with reference to existing market prices, location or the recent market transactions. The amount and timing of recorded cost for any period would differ if different estimates were used.

- *Estimating retirement benefits cost* – the Parent Company's retirement benefit cost is computed using the provisions of R.A. 7641. This entails using certain assumptions with respect to salary increases and employees' length of stay. *(see Note 23)*

- *Estimation of allowance for impairment loss on receivables* – The Parent Company reviews its receivables at each reporting date to assess whether an allowance for impairment should be recorded in the statements of comprehensive income. The measurement of credit losses under PFRS 9 requires significant judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowance.

6. FAIR VALUE MEASUREMENT

The fair value for assets and liabilities traded in active market at the reporting date is based on their quoted market price. For all other assets and liabilities not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Parent Company recognizes the difference between the transaction price and fair value in the statement of comprehensive income unless it qualifies for recognition as some other type of asset.

Assets and liabilities measured at fair value and those which are not measured at fair value but fair value is required to be disclosed are categorized in a manner discussed in note 5.

The following table presents the summary of the Parent Company's assets and liabilities measured or disclosed at fair value on a recurring or non-recurring basis recognized in the Statements of Financial Position as of December 31, 2021 and 2020:

2021		**Level 1**		**Level 2**		**Level 3**
Assets						
Loans and receivables						
Cash and cash equivalents*	**P**	**-**	**P**	**319,129,829**	**P**	**-**
Receivables		**-**		**21,202,123**		**-**
Non-current installment contracts receivable		**-**		**11,321,602**		**-**
Financial assets at FVPL		**65,197,538**		**-**		**-**
Financial assets at FVOCI						
Unquoted equity investments		**-**		**337,090**		**-**
Quoted equity investments		**4,300,000**		**-**		**-**
Other non-current assets		**-**		**15,096,516**		**-**
Investment properties		**-**		**992,000,000**		**58,000,000**
	P	**69,497,538**	**P**	**1,359,087,160**	**P**	**58,000,000**
Liabilities						
Accounts payable and accrued expenses	**P**	**-**	**P**	**16,774,197**	**P**	**-**
Due to subsidiary		**-**		**221,084,873**		**-**
	P	**-**	**P**	**237,859,070**	**P**	**-**

** Amount is exclusive of cash on hand amounting to P30,000.*

2020		Level 1		Level 2		Level 3
Assets						
Loans and receivables						
Cash and cash equivalents*	P	-	P	377,187,611	P	-
Receivables		-		18,895,592		-
Non-current installment contracts receivable		-		12,088,634		-
Financial assets at FVPL		3,590,757		-		-
Financial assets at FVOCI						
Unquoted equity investments		-		50,000,000		-
Quoted equity investments		3,150,000		-		-
Other non-current assets		-		15,096,516		-
Investment properties		-		310,000,000		58,000,000
	P	6,740,757	P	783,268,353	P	58,000,000
Liabilities						
Accounts payable and accrued expenses	P	-	P	14,201,905	P	-
Due to subsidiary		-		221,084,873		-
	P	-	P	235,286,778	P	-

** Amount is exclusive of cash on hand amounting to P30,000.*

Fair values were determined as follows:

- Due to short-term nature of transactions of Cash and cash equivalents, receivables, accounts payable and accrued expenses and due to subsidiary, the fair values approximate the carrying amounts.
- Fair values of non-current installment contracts receivable were determined by discounting future cash flows at market prevailing interest rates.
- Fair values of FVPL financial assets were determined through the Philippine Stock Exchange.
- Fair values of quoted equity investments were determined using the quoted market prices at the end of reporting period.
- The fair values of unquoted equity investments were determined using market approach.

- Fair values of Investment properties under level 2 were determined by reference to the proposal to buy/sell the properties and adjacent properties thereto. Fair value of level 3 investment properties was determined using Sales comparison approach.

7. RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management framework
The Parent Company's audit committee is responsible for the over-all effectiveness of risk management system. Furthermore, it is also the committee's purpose to lead the general evaluation and to provide assistance in the continuous improvement of the Parent Company's risk management, control and governance processes. These functions also require that:

(i) Financial reports comply with established internal policies and procedures, pertinent accounting and auditing standards, and other regulatory requirements;

(ii) Risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks;

(iii) The BOD is properly assisted in the development of policies that would enhance the risk management.

Market Risk
Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

i. Foreign Currency Risk
The risk that the Parent Company will face with respect to the unstable changes in foreign exchange particularly in US dollar. To minimize this risk, the Parent Company maintains a considerable amount of cash and cash equivalents so as not to be affected by the fluctuation of Philippine peso vis-à-vis US dollar.

The Parent Company's exposure to foreign currency risk pertains to its Dollar denominated cash and cash equivalents.

The following table demonstrates the sensitivity to a reasonable change in the US$ exchange rate, with all other variables held constant, of the Parent Company's income before tax and equity:

Increase/Decrease in	Effect on income before taxes		Effect on equity	
Peso to US Dollar Rate	**2021**	2020	**2021**	2020
+P5.00	**P 45,668**	P 45,573	**P 34,251**	P 31,901
-P5.00	**(45,668)**	(45,573)	**(34,251)**	(31,901)

ii. Interest rate risk
As of December 31, 2021 and 2020, financial instruments subject to variable interest rate risk are as follows:

2021	**Interest rate**		**Due in 1 year**		**Due in 2-5 years**
Financial assets that are:					
Cash and cash equivalents	**0.10%-0.90%**	**P**	**319,129,829**	**P**	**-**

2020	Interest rate		Due in 1 year		Due in 2-5 years
Financial assets that are:					
Cash and cash equivalents	0.10%-1.00%	P	377,187,611	P	-

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Parent Company's profit before tax:

		Increase/decrease in interest rates		Effect on profit before tax
Cash and cash equivalents	**2021**	**+100 bps**	**P**	**3,481,587**
	2021	**-100 bps**		**(3,481,587)**
	2020	+100 bps		3,772,459
	2020	-100 bps		(3,772,459)

iii. Price risk
The Parent Company's price risk exposure at year end relates to financial assets whose rates will fluctuate as a result of changes in market prices, principally, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Management monitors movements of equity price on a regular basis by assessing the expected changes in the different portfolios due to parallel movements of a 5% increase or decrease in market values.

The equity securities are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Any increase and a decrease in the market values of stocks would result to an impact on the statement of comprehensive income and equity as follows:

% of change in market values		**Impact on income 2021**		Impact on income 2020		**Impact on equity 2021**		Impact on equity 2020
+5%	**P**	**3,204,902**	P	179,538	**P**	**3,382,749**	P	312,336
-5%		**(3,204,902)**		(179,538)		**(3,382,749)**		(312,336)

Credit Risk
Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statement of financial position (or in the detailed analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Parent Company actively monitors its receivables to avoid significant concentrations of credit risk. They set a maximum limit on the amount that each employee can borrow. In addition, receivables from employees are subject to salary deductions.

The maximum exposure to credit risk at the end of reporting period is as follows:

	2021	2020
Cash and cash equivalents*	**P 319,129,829**	P 377,187,611
Receivables	**42,061,766**	40,675,006
Financial assets at fair value through profit or loss	**72,466,188**	7,140,992
Financial assets at FVOCI	**51,070,000**	51,070,000
Other non-current assets**	**33,288,870**	33,288,870
	P 518,016,653	P 509,362,479

** Amount is exclusive of cash on hand amounting to P30,000.*

*** Amount is exclusive of nonfinancial asset amounting to P302,935.*

The tables below show the credit quality by class of financial assets as at December 31, 2021 and 2020:

2021	**Neither past due nor impaired** High grade	**Neither past due nor impaired** Standard grade	**Past due but not impaired** 90 days past due	**Past due and impaired**	**Total**
Cash and cash equivalents	**P 319,129,829**	**P -**	**P -**	**P -**	**P319,129,829**
Receivables	**20,707,851**	**14,672,114**	**-**	**6,681,801**	**42,061,766**
FVPL financial assets	**72,466,188**	**-**	**-**	**-**	**72,466,188**
Financial assets at FVOCI	**1,070,000**	**50,000,000**	**-**	**-**	**51,070,000**
Other non-current assets	**-**	**2,014,845**	**12,778,736**	**18,495,289**	**33,288,870**
	P 413,373,868	**P 66,686,959**	**P 12,778,736**	**P 25,177,090**	**P 518,016,653**

2020	Neither past due nor impaired High grade	Neither past due nor impaired Standard grade	Past due but not impaired 90 days past due	Past due and impaired	Total
Cash and cash equivalents	P 377,187,611	P -	P -	P -	P377,187,611
Receivables	19,816,670	14,217,304	-	6,641,032	40,675,006
FVPL financial assets	7,140,992	-	-	-	7,140,992
Financial assets at FVOCI	1,070,000		50,000,000	-	51,070,000
Other non-current assets	-	10,731,250	4,062,331	18,495,289	33,288,870
	P 405,215,273	P 24,948,554	P 54,062,331	P 25,136,321	P 509,362,479

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in banks belonging to the top banks in the Philippines in terms of resources and profitability.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Liquidity Risk
Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Parent Company is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The tables below summarize the maturity profile of the Parent Company's financial liabilities as of December 31, 2021 and 2020, based on undiscounted contractual payments:

2021	**On demand**	**Not later than one month**	**Later than 1 month & not Later than 3 months**	**Later than 3 months & not later than 1 year**	**Total**
Accounts payable and accrued expenses	**P -**	**P 1,046,785**	**P 542,092**	**P 15,185,320**	**P 16,774,197**
Due to subsidiary	**221,084,873**	**-**	**-**	**-**	**221,084,873**
	P 221,084,873	**P 1,046,785**	**P 542,092**	**P 15,185,320**	**P 237,859,070**

2020	On demand	Not later than one month	Later than 1 month & not Later than 3 months	Later than 3 months & not later than 1 year	Total
Accounts payable and accrued expenses	P -	P 886,263	P 458,964	P 12,856,678	P 14,201,905
Due to subsidiary	221,084,873	-	-	-	221,084,873
	P 221,084,873	P 886,263	P 458,964	P 12,856,678	P 235,286,778

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2021 and 2020 are as follows:

		2021		2020
Cash on hand and in banks	**P**	**52,190,046**	P	112,453,405
Short-term placements		**266,969,783**		264,764,206
	P	**319,159,829**	P	377,217,611

Cash accounts with banks generally earn interest at rates based on prevailing bank deposit rates. Short-term placements can be pre-terminated at any time and have average interest rates ranging from 0.10% to 0.90% and 0.10% to 1.00% per annum in 2021 and 2020, respectively.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Parent Company's financial assets at fair value through profit or loss consist of shares of stock of publicly listed companies which are classified as held for trading.

All amounts presented have been determined directly by reference to published price quoted in the stock market.

The reconciliation of this account is shown below:

		2021		2020
Balance, January 1	**P**	**3,590,757**	P	5,193,998
Acquisitions during the year		**104,638,486**		27,722,741
Disposals during the year		**(39,313,289)**		(38,352,166)
Changes in market value (Note 20)		**(3,718,416)**		9,026,184
	P	**65,197,538**	P	3,590,757

The Parent Company recognized fair value loss of P3,718,416 in 2021 and fair value gain of P9,026,184 in 2020. The Parent Company also disposed certain shares of stock which resulted to a net gain of P3,262,942 in 2021 and net loss of P7,465,657 in 2020. *(see Note 20)*

10. RECEIVABLES

As of December 31, 2021 and 2020, this account consists of the following:

		2021		2020
Installment contract receivable	**P**	**20,707,851**	P	19,816,670
Due from HDMF		**11,946,875**		11,056,362
Advances to subsidiaries (Note 24)		**6,681,801**		6,641,032
Advances to officers and employees		**2,216,047**		2,217,470
Accrued interest on short-term placements		**-**		130,216
Advances to agent		**100,500**		103,000
Other receivables		**408,692**		710,256
		42,061,766		40,675,006
Less: Allowance for credit losses		**6,681,801**		6,641,032
		35,379,965		34,033,974
Less: Non-current portion		**14,177,842**		15,138,382
	P	**21,202,123**	P	18,895,592

Installment contracts receivable on sale of house and lots which pertains to Sta. Rosa project are collectible in monthly installments for periods ranging from 3 to 7 years and bear an interest rate of 21% per annum computed on the diminishing balance. Portion of which are covered by postdated checks.

Non-current portion represents installment contract receivable that are due beyond 1 year.

For the years ended December 31, 2021 and 2020, interest income on these installment accounts amounted to P1,639,319 and P1,285,032, respectively. *(see Note 20)*

Due from HDMF represents portion of take-out proceeds on sale of real estate properties that were withheld in accordance with financing agreement with Home Development Mutual Fund.

Advances to subsidiaries represent cash advances made by the Parent Company to cover the subsidiaries' working capital requirement. The advances are not subject to interest and have no fixed repayment terms.

Due to short-term nature of transactions of current receivables, the fair values approximate the carrying amounts.

Movement of allowance for credit losses is as follows:

		2021		2020
Balance, January 1	**P**	**6,641,032**	P	6,565,574
Provision during the year		**40,769**		75,458
Balance, December 31	**P**	**6,681,801**	P	6,641,032

11. REAL ESTATE FOR SALE

This account consists of:

		2021		2020
Real estate for sale - at cost				
Land	**P**	**1,472,281**	P	2,132,523
Housing units and developments		**20,669,093**		29,938,111
Condominium units (Note 27)		**13,669,887**		18,234,057
	P	**35,811,261**	P	50,304,691

The movements in real estate for sale is set out below:

		2021		2020
Real estate for sale, beginning	**P**	**50,304,691**	P	58,500,882
Construction and development costs incurred		**10,259,062**		10,628,883
Transferred to cost of sales (Note 21)		**(24,752,492)**		(18,825,074)
Real estate for sale, ending	**P**	**35,811,261**	P	50,304,691

Real estate for sale, which is carried at cost, principally pertains to cost of raw land, property developments and other expenses related to construction and development of subdivision and condominium units. Construction and development costs include the cost of materials, labor and other related costs.

12. PREPAYMENTS AND OTHER CURRENT ASSETS

As of December 31, 2021 and 2020, this account is composed of the following:

	2021	2020
Prepaid taxes	**P 2,320,145**	P 1,821,467
Input value added tax	**516,743**	946,775
Others	**289,800**	289,800
	P 3,126,688	P 3,058,042

Prepaid taxes consist of creditable withholding taxes at source.

Input value added tax represents the 12% Value Added Tax (VAT) on purchases of goods and services.

Others include prepaid membership dues and insurances.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Details of this account in 2021 and 2020 are as follows:

		2021		2020
Cost:				
Unquoted equity investments	**P**	**50,000,000**	P	50,000,000
Quoted equity investments		**1,070,000**		1,070,000
		51,070,000		51,070,000
Allowance for market adjustment		**(46,432,910)**		2,080,000
	P	**4,637,090**	P	53,150,000

The movements of this account during the year are as follows:

		2021		2020
Balance at beginning of year	**P**	**53,150,000**	P	52,800,000
Changes in fair value		**(48,512,910)**		350,000
Balance at end of year	**P**	**4,637,090**	P	53,150,000

Unquoted equity investments comprise of equity interest in Macawiwili Gold Mining and Development Co., Inc.

Quoted equity investments consists of golf club shares in Manila Southwoods and Tagaytay Midlands.

The fair values were determined in a manner discussed in Note 6.

14. INVESTMENT IN SUBSIDIARIES

In the Parent Company financial statements, this account represents investment in Omico Kapital amounting to P200,000,000 and Omico Mining Inc. *(formerly Omico-Ivanhoe Mining Inc.)* amounting to P2,500,000, recorded at cost as required under PFRS 10, *Consolidated Financial Statements*.

15. PROPERTY AND EQUIPMENT

The movement of property and equipment as of December 31, 2021 is as follows:

	Condominium Units and Improvements	Office Furniture and Fixtures	Office Equipment	Transportation Equipment	Total
Cost					
At January 1, 2021	**P 14,140,270**	**P 853,231**	**P 2,792,484**	**P 12,715,183**	**P 30,501,168**
Additions	**-**	**-**	**84,866**	**-**	**84,866**
At December 31, 2021	**14,140,270**	**853,231**	**2,877,350**	**12,715,183**	**30,586,034**
Accumulated depreciation					
At January 1, 2021	**12,247,702**	**853,230**	**2,274,476**	**10,308,347**	**25,683,755**
Provisions	**96,500**	**-**	**151,484**	**1,431,608**	**1,679,592**
At December 31, 2021	**12,344,202**	**853,230**	**2,425,960**	**11,739,955**	**27,363,347**
Net Carrying Value					
At December 31, 2021	**P 1,796,068**	**P 1**	**P 451,390**	**P 975,228**	**P 3,222,687**

The movement of property and equipment as of December 31, 2020 is as follows:

	Condominium Units and Improvements	Office Furniture and Fixtures	Office Equipment	Transportation Equipment	Total
Cost					
At January 1, 2020	P 14,140,270	P 853,231	P 2,426,854	P 17,389,320	P 34,809,675
Additions	-	-	365,630	-	365,630
Disposals	-	-	-	(4,674,137)	(4,674,137)
At December 31, 2020	14,140,270	853,231	2,792,484	12,715,183	30,501,168
Accumulated depreciation					
At January 1, 2020	12,151,202	853,230	2,165,917	13,369,270	28,539,619
Provisions	96,500	-	108,559	1,613,214	1,818,273
Disposals	-	-	-	(4,674,137)	(4,674,137)
At December 31, 2020	12,247,702	853,230	2,274,476	10,308,347	25,683,755
Net Carrying Value					
At December 31, 2020	P 1,892,568	P 1	P 518,008	P 2,406,836	P 4,817,413

Certain transportation equipment disposed in 2020 resulted to a gain of P209,821. *(see Note 20)*

The Parent Company has fully depreciated assets which are still being used amounting to P22,957,537 and P18,324,455 as at December 31, 2021 and 2020, respectively.

16. INVESTMENT PROPERTIES

Investment properties comprise parcels of land in the following locations as at December 31, 2021 and 2020:

Urdaneta City, Pangasinan (Note 27)	**P**	**78,969,783**
Mayapyap, Cabanatuan City		**19,200,222**
Haddad, Sablan, Benguet		**37,026,389**
Bueno, Sablan, Benguet		**16,372,765**
Belmonte, Sablan, Benguet		**3,095,081**
Tagaytay City, Cavite		**12,116,785**
	P	**166,781,025**

- The property held in Urdaneta City, Pangasinan is a subject of a joint venture with other property developers and co-owners. Pending certain clearances from government agencies, the property will be a location of low and medium cost residential and commercial subdivisions in Urdaneta City. Management determines that based on recent transactions and offers to buy/sell adjacent properties, the fair value of the property which is categorized as level 2 in the fair value hierarchy amounted to P752 million in 2021 and 2020.

  The Parent Company spent a total of P1,476,266 for regulatory clearance in 2020. The same may be recovered once the joint venture operations commence.

- The Mayapyap property, which is situated in Bgy. Mayapyap Sur, Cabanatuan City, Nueva Ecija and located along the Maharlika National Highway, has an area of 41,271 square meters and has a fair value of P144 million and P74 million in 2021 and 2020, respectively. The property has been re-classified as residential area by the local government, the highest and best use for the property. Development plans are being formulated for the property, which is beamed at the middle-income residential market. Fair value was determined by reference to the proposals to sell adjacent properties received from a certain seller which is categorized as level 2 in the fair value hierarchy.

- The Haddad property, which is situated in Bgy. Banangan, Muncipality of Sablan, Province of Benguet with an area of 66,846 square meters, has a spectacular view of the Cordilleras, and as far away as Lingayen Gulf, the beaches of La Union and the West Philippine Sea. The Haddad Property is being planned as an upscale vacation and residential community in Metro Baguio and will be named the Omico Pine Villas.

- The Parent Company is currently evaluating the development of the Bueno property located in Bgy, Banangan, Municipality of Sablan, Province of Benguet. The project will be called Baguio Homes and has an area of 66,217 square meters located on the slopes of mountainside terrain with the majestic view of the Cordilleras. The project is designed to cater to the low-cost housing needs of Metro Baguio, the highest and best use of the property. The land had already been converted in the local level from agricultural to residential use.

- The Belmonte property, which is situated in Dackes, Bgy. Banangan, Muncipality of Sablan, Province of Benguet and located along Naguilian Road, Baguio City has an area of 23,624 square meters.

  The aggregate fair value of the Sablan, Benguet (Haddad, Bueno and Belmonte) properties is estimated to be P58 million in 2021 and 2020, determined under level 3 in the fair value hierarchy. The value was determined in consultation with real estate brokers operating within the Baguio district which management believes to be a representative of its fair value.

- The Tagaytay property, which is situated in Kaybagal South, Tagaytay City, Cavite has an area of 2,738 square meters. The Parent Company plans to build a low-rise building with 5 floors, with commercial spaces at the ground floor and hotel and Airbnb rooms at the second to fifth floors. Management determines that based on recent transactions and offers to buy/sell adjacent properties, the fair value of the property which is categorized as level 2 in the fair value hierarchy amounted to P96 million and P25 million in 2021 and 2020, respectively.

The description of valuation techniques and inputs used in determining the fair value of investment properties classified as Level 3 in the fair value hierarchy is as follows:

Valuation techniques	Significant unobservable inputs	Range
Sales comparison approach	Asking price (per square meter)	P200-P450
	Size	
	Location	
	Neighborhood	
	Transport/Road network	

Sales comparison approach is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Except for asking price, the quantitative information on significant unobservable inputs cannot be determined by management alone.

During 2021 and 2020, there were no transfers between levels of fair value hierarchy. No property has been pledged as collateral or security for any of the Parent Company's liabilities and there have been no restrictions on the realizability of these investment properties. Except for properties that are subject of a joint venture, no contractual obligations to purchase, construct or develop these properties or for repairs, maintenance or enhancements.

There was no rental income generated from investment properties. Operating expenses included in the statements of comprehensive income related to the investment properties amounted to P0.46 million in 2021 and P0.42 million in 2020.

17. OTHER NON-CURRENT ASSETS

As of December 31, 2021 and 2020, other non-current assets account consists of the following:

Advances	P	20,542,775
Cash bond (Note 27)		10,731,250
Other receivables		2,014,845
Mining and other equipment		302,935
		33,591,805
Less: Allowance for impairment losses		18,495,289
	P	15,096,516

- The details of Advances as of December 31, 2021 and 2020, which represent funds given by the Parent Company as its contribution to various housing projects, are as follows:

Beneco Housing	P	11,528,881
DVF-Homes Talavera		4,983,363
Sto. Domingo Housing		4,030,531
	P	20,542,775

- Cash bond represents bond required by the Department of Agrarian Reform (DAR) in connection with the Land Use Conversion (LUC) application of a 17.17-hectare property in Pinmaludpod, Urdaneta. *(see Note 27)*

- Other receivables represent advances to third parties for real estate projects.

Breakdown of allowance for impairment losses as at December 31, 2021 and 2020 is as follows:

Advances:		
Beneco Housing	P	11,528,881
DVF-Homes Talavera		4,030,531
Sto. Domingo Housing		618,097
Other receivables		2,014,845
Mining and other equipment		302,935
	P	18,495,289

18. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of:

		2021		2020
Customers' advances and deposits	**P**	**11,515,704**	P	9,963,608
Accounts payable		**4,985,368**		4,028,020
Accrued taxes and other liabilities		**273,125**		210,277
	P	**16,774,197**	P	14,201,905

Customers’ advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer.

Customers’ deposits represent collections from the buyers which have not reached the minimum required percentage of the contract price. These deposits will be recognized as revenue in the statement of comprehensive income when the required percentage of the contract price is collected.

Accounts payable comprise of amounts due to contractors and suppliers of goods and services.

Accrued taxes and other liabilities include statutory government contributions and withholding taxes payable.

19. EQUITY

Share capital

The Parent Company's capital structure as of December 31, 2021 and 2020 is as follows:

Authorized - P1 par value	P	2,000,000,000
Issued and outstanding - 1,050,461,673 shares		1,050,461,673

Capital management
The Parent Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Parent Company's activities. In order to maintain or adjust the capital structure, the Parent Company may require infusion of additional capital.

20. REVENUES

(a) Real estate sales

Real estate sale comprise the sale of lots, house and lot and condominium units in Sta. Rosa, Nueva Ecija and Tagaytay City, Cavite. The Sta. Rosa project is registered with the Housing and Land Use Regulatory Board as seller of low-cost housing units. Low-cost housing units refer to housing units which are within the affordability level of the average and low-income earners.

Real estate sales of low-cost housing units and condominium units amounted to P34,534,816 and P22,010,500 in 2021 and 2020, respectively.

(b) Investment and other income - net consists of:

		2021		2020
Interest income on:				
Cash and cash equivalents	**P**	**2,663,302**	P	7,643,593
Installment contract receivable (Note 10)		**1,639,319**		1,285,032
Fair value gain (loss) on FVPL financial assets (Note 9)		**(3,718,416)**		9,026,184
Gain on sale of transportation equipment (Note 15)		**-**		209,821
Dividend income		**884,148**		111,099
Unrealized foreign exchange gain (loss)		**25,008**		(24,681)
Gain (Loss) on sale of FVPL financial assets (Note 9)		**3,262,942**		(7,465,657)
Other income		**223,999**		200,563
	P	**4,980,302**	P	10,985,954

21. COST OF REAL ESTATE SALES

For the years ended December 31, 2021 and 2020, details of this account are as follows:

		2021		2020
Real estate inventory, beginning	**P**	**50,304,691**	P	58,500,882
Add: Development costs incurred		**10,259,062**		10,628,883
Real estate available for sale		**60,563,753**		69,129,765
Less: Real estate inventory, ending		**35,811,261**		50,304,691
Cost of real estate sales	**P**	**24,752,492**	P	18,825,074

22. ADMINISTRATIVE EXPENSES

This account consists of:

		2021		2020
Compensation and other employees' benefits (Note 23)	**P**	**9,223,833**	P	7,792,932
Transportation and travel		**6,791,340**		5,988,064
Representation and entertainment		**2,741,603**		2,471,442
Professional fees		**2,635,256**		2,269,033
Taxes, licenses and filing fees		**2,062,123**		2,468,582
Depreciation (Note 15)		**1,679,592**		1,818,273
Repairs and maintenance		**409,869**		618,575
Communication, light and water		**383,972**		389,121
Association and membership dues		**357,485**		413,327
Meetings and conferences		**252,423**		241,686
Directors' fee		**252,000**		252,000
Insurance		**166,680**		199,507
Office supplies		**142,899**		146,003
Caretaker's fee		**42,512**		144,497
Provision for credit losses (Note 10)		**40,769**		75,458
Miscellaneous		**179,105**		422,600
	P	**27,361,461**	P	25,711,100

23. COMPENSATION AND OTHER EMPLOYEES’ BENEFITS

The breakdown of the compensation and other benefits is as follows:

		2021		2020
Salaries and wages	**P**	**6,492,979**	P	5,203,013
Retirement expense		**1,541,200**		1,616,413
13th month pay		**513,774**		544,579
Social security cost		**675,880**		428,927
	P	**9,223,833**	P	7,792,932

The movements in the defined benefit obligation recognized and presented as *Accrued Retirement Liability* under Non-current Liabilities in the statements of financial position are as follows:

		2021		2020
Balance, January 1	**P**	**13,521,612**	P	11,905,199
Expense recognized		**1,541,200**		1,616,413
Balance, December 31	**P**	**15,062,812**	P	13,521,612

The Parent Company's retirement benefit plan is patterned under the requirements of R. A. 7641 and covers 11 employees. As such, the plan is deemed to be a Defined Benefit Plan. The retirement expense for the years ended December 31, 2021 and 2020 amounted to P1,541,200 and P1,616,413, respectively. No actuarial valuations are made as management believes that the defined benefit obligation computed using the provisions of R.A. 7641 is not materially different with the amount computed using the projected unit credit method required under the revised PAS 19, *Employee Benefits*.

24. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Transactions with related parties, if any, are made at normal market prices. Outstanding balances at yearend are unsecured, non-interest bearing and settlement occurs in cash, unless otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. Assessment is undertaken each financial year by examining the financial position of the related parties and the markets in which the related parties operate.

The following tables provide the total amount of transactions that have been entered into with related parties and the outstanding balances as of December 31, 2021 and 2020:

			Outstanding Balance		
Category	Year	Amount of transactions	Due from related parties	Due to related parties	Terms and conditions
Subsidiaries					
Omico Kapital Corporation					
Cash advances	**2021**	**P 23,180**	**P 370,557**	**P 221,084,873**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2020	55,474	347,377	221,084,873	Demandable; non-interest bearing; unsecured; payable in cash
Omico Mining Inc.					
Cash advances	**2021**	**17,589**	**6,311,244**	**-**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2020	19,984	6,293,655	-	Demandable; non-interest bearing; unsecured; payable in cash
	2021		**P 6,681,801**	**P 221,084,873**	
	2020		P 6,641,032	P 221,084,873	

The Parent Company's advances to its subsidiaries represent cash advances for subsidiaries' operating expenses paid by the Parent Company. These advances are shown as part of Receivables in the Parent Company's statements of financial position. The outstanding balance amounted to P6,681,801 and P6,641,032 as of December 31, 2021 and 2020, respectively. Full allowance for credit losses were provided in 2021 and 2020.

The Parent Company's cash advances from its subsidiary in previous years are shown as Due to subsidiary in the Parent Company's statements of financial position. The outstanding balance amounted to P221,084,873 as of December 31, 2021 and 2020.

Compensation of key management personnel by benefit type is as follows:

		2021		2020
Short-term employee benefits	**P**	**5,676,471**	P	4,741,201
Post-employment benefits		**544,299**		544,299
	P	**6,220,770**	P	5,285,500

25. EARNINGS (LOSS) PER SHARE

The following table presents the computation of basic EPS.

		2021		2020
Loss for the year	**P**	**(15,238,012)**	P	(14,348,293)
Divided by: Weighted Average Shares		**1,050,461,673**		1,050,461,673
Basic/Diluted earnings (loss) per share	**P**	**(0.014506)**	P	(0.013659)

26. INCOME TAXES

- Income tax expense for the years ended December 31, 2021 and 2020 is broken down as follows:

		2021		2020
MCIT	**P**	**116,456**	P	97,258
Final tax		**790,476**		1,687,824
	P	**906,932**	P	1,785,082

- Parent Company's reconciliation of tax on pretax income from operation computed at the applicable statutory rates to tax expense are as follows:

		2021		2020
Statutory income tax	**P**	**(3,582,770)**	P	(3,768,963)
Adjustments resulting from:				
Income subjected to final taxes		**(691,085)**		(1,073,412)
Income exempt from income tax		**(221,037)**		(33,330)
Non-deductible expenses		**1,859,559**		1,108,167
Effect of unrecognized temporary differences		**3,542,265**		5,552,620
Tax expense reported in the statements of comprehensive income	**P**	**906,932**	P	1,785,082

- The Parent Company did not recognize the balance of the deferred tax assets on net operating loss carry over (NOLCO), excess MCIT and other temporary differences because management believes that the related deferred tax assets may not be recovered. The breakdown of deferred tax assets, which can still be applied if the Parent Company has taxable income in the future, are as follows:

		2021		2020
Allowance for impairment and credit losses	**P**	**6,294,273**	P	7,540,896
Accrued retirement		**3,765,703**		4,056,483
Excess MCIT		**363,648**		362,617
Net operating loss carryover (NOLCO)		**11,505,520**		16,619,493
	P	**21,929,144**	P	28,579,489

- The carry-forward benefits of the NOLCO and the excess of the MCIT over the regular corporate income tax, which can be claimed by the Parent Company as credits against the regular corporate income tax due, are as follows:

Year Incurred		NOLCO Amount		Applied Previous Year		Expired		Remaining Balance	Expiry
2018	P	21,547,188	P	-	P	21,547,188	P	-	2021
2019		17,365,201		-		-		17,365,201	2022
2020		16,485,921		-		-		16,485,921	2025
2021		12,170,956		-		-		12,170,956	2026
	P	67,569,266	P	-	P	21,547,188	P	46,022,078	

Year Incurred		MCIT Amount		Applied		Expired		Remaining Balance	Expiry
2018	P	115,425	P	-	P	115,425	P	-	2021
2019		149,934		-		-		149,934	2022
2020		97,258		-		-		97,258	2023
2021		116,456		-		-		116,456	2024
	P	479,073	P	-	P	115,425	P	363,648	

NOLCO
On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which provide that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act
On February 1, 2021, the Bicameral Conference Committee, approved the House Bill No. 4157 and Senate Bill No.1357 (the CREATE) which seeks to reduce the corporate income tax rates and to rationalize the current fiscal incentives by making it time-bound, targeted and performance-based. CREATE pursues to dynamically fight the effects of COVID-19 and help businesses to recover as quickly as possible.

Among the reforms provided under CREATE Act are the following:

(i) Reduction in Corporate Income Tax rate effective July 1, 2020 as follows:

- Those with assets amounting to P100,000,000 and below, and with taxable income equivalent to P5,000,000 and below will be subjected to a 20% tax rate;
- Those with assets above P100,000,000 or those with taxable income amounting to more than P5,000,000 will be subjected to a 25% tax rate.

(ii) Effective July 1, 2020 until June 30, 2023, the MCIT rate shall be one percent (1%).

27. JOINT ARRANGEMENTS

Sta. Lucia Realty and Development, Inc. (SLRDI)
On April 19, 2005, the Parent Company entered into a Memorandum of Agreement on Property Development (the "Agreement") with Sta. Lucia Realty and Development, Inc. (Sta. Lucia), as developer and Asian Pacific Estates Development Corporation and Asian Empire Corporation as co-landowners, whereby Sta. Lucia will develop into residential and commercial subdivisions the parcels of land situated at Pinmaludpod, Urdaneta owned by the Parent Company and the co-landowners. For this jointly-controlled asset, the Parent Company contributed 232,540 square meters of raw land. As part of the Agreement, Sta. Lucia is entitled to 55% of the developed saleable lots while the remaining 45% will be allocated to the Parent Company and co-landowners. The release of the title of the developed saleable lots is subject to the terms and conditions set out in the Agreement. The carrying amount of property contributed, which pertains to the parcel of land, amounted to P78,969,783 as of December 31, 2021 and 2020.

The Parent Company engaged the services of a consultant to process the Parent Company's application for the DAR Land Use Conversion (LUC) for the property. On October 31, 2012, the Department of Agriculture issued the Certificate of Eligibility for Reclassification of Agricultural Lands. On April 16, 2013, the Parent Company filed the application for DAR LUC for 4.68 hectares, the initial area for development, which was approved by DAR on August 22, 2013. The residential subdivision plan/site development plan for the 4.68 hectares, which is the initial area for development, has been prepared consisting of two hundred (200) saleable lots and the Parent Company is now considering the proposed house designs for the single detached and duplex housing units. In 2017, the Parent Company filed another application for DAR LUC for 17.17 hectares which was approved on April 4, 2019. The DAR required the Parent Company to place a bond amounting to P10,731,250, against any premature conversion activity or development on the subject property. The cash bond is refundable upon issuance of the order of conversion or convertible into performance bond at the Parent Company's option.

The movement of this account is as follows:

		2021		2020
Balance, January 1	**P**	**78,969,783**	P	77,493,517
Additions		**-**		1,476,266
Balance, December 31	**P**	**78,969,783**	P	78,969,783

This account is included in Investment Properties.

Additions to Sta. Lucia Joint Venture represent expenses incurred in connection with the Parent Company's application to the DAR LUC for the property. Apart from contributing the parcels of land, there are no other capital commitments that were required by the other venturers.

Robinsons Land Corporation (RLC)

On December 21, 2006, the Parent Company entered into a Joint Venture (JV) Agreement with Robinsons Land Corporation (the Developer), whereby the Parent Company contributed three (3) parcels of land located in Tagaytay City, with an approximate land area of 9,372 square meters. Robinsons Land Corporation (formerly Robinsons Homes, Inc.) will develop a high density two-phase residential subdivision, consisting of five (5) 5-storey residential condominium buildings. Under the agreement, the Parent Company and the Developer shall share in the development of Phase I, consisting of 2 Medium Rise Buildings with a land area of 2,606 square meters. By dividing the saleable floor area of Phase I between them, the Parent Company will be entitled to a saleable floor area of 485.04 square meters equivalent to 9 units. The development of Phase 2, consisting of 3 Medium Rise Buildings, with a land area of 3,909 square meters shall also be undertaken by the developer.

On May 14, 2009, the Parent Company signed the Addendum to the Joint Venture Agreement with Robinsons Land Corporation for the development of Phase 2 and the Parent Company will be entitled to a saleable floor area of 801.19 square meters which is equivalent to 16 units.

On March 9, 2018, the Parent Company entered into a Termination Agreement of the Joint Venture Agreement wherein RLC will turn-over three (3) unsold condominium units, out of the twenty-five (25) units assigned to the Parent Company and shall continue to manage the six (6) remaining condominium units enrolled under the Lease-to-Own Program of RLC. On March 16, 2018, the Parent Company entered into a Memorandum Agreement with RLC for compensation for the excess developed area in the JV project wherein RLC will assign to the Company Parking Slot No. 14 in Building C and waive payment of prior years' real property taxes amounting to P96,128. These condominium units are included as part of real estate for sale.

The above arrangements were accounted as "Joint Operation" in accordance with PFRS 11, *Joint Arrangements*.

28. OPERATING SEGMENTS

The Parent Company's businesses are organized and managed separately according to the nature of products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The segment information in the financial statements as of December 31, 2021 and 2020 are as follows:

	As of December 31, 2021		
	Real estate	Corporate and others	Total
Segment revenue	P 36,174,135	P 3,340,983	P 39,515,118
Segment result	(13,567,844)	(763,236)	(14,331,080)
Segment asset	237,576,214	613,336,385	850,912,599
Segment liabilities	14,042,654	238,879,228	252,921,882
Segment cash flows			
Operating	(1,604,914)	1,991,579	386,665
Investing	(84,866)	(58,384,589)	(58,469,455)
Other information:			
Depreciation	-	1,679,592	1,679,592
Capital expenditures	-	84,866	84,866

	As of December 31, 2020		
	Real estate	Corporate and others	Total
Segment revenue	P 23,295,532	P 9,700,922	P 32,996,454
Segment result	(18,407,468)	5,844,257	(12,563,211)
Segment asset	258,994,794	651,555,235	910,550,029
Segment liabilities	12,419,270	236,389,120	248,808,390
Segment cash flows			
Operating	(11,496,309)	1,403,973	(10,092,336)
Investing	(1,841,896)	11,476,713	10,000,447
Other information:			
Depreciation	-	1,818,273	1,818,273
Capital expenditures	-	1,841,896	365,630

Reconciliation between segment information and financial statements is shown below:

	2021	2020
Total segment results	**P (14,331,080)**	P (12,563,211)
Income tax expense	**(906,932)**	(1,785,082)
Loss for the period	**P (15,238,012)**	P (14,348,293)

29. OTHER MATTERS

Commitment and contingencies
The following are the significant commitments and contingencies involving the Parent Company.

a. The Parent Company filed an appeal with the Office of the Secretary of the Department of Agrarian Reform (DAR) on October 15, 2002 for the reversal of a Resolution promulgated by the Regional Director of the Department of Agrarian Reform, Cordillera Administrative Region, reversing an earlier Order granting the application of the Parent Company for exemption of its landholdings in Banangan, Sablan, Benguet from the coverage of the Comprehensive Agrarian Reform Program (CARP). This landholding is included as part of Investment Properties in the statements of financial position. On August 22, 2012, DAR issued an Order granting Omico's appeal for exemption from CARP coverage, pursuant to Section 10 of R.A. 6657, of Omico's lot property situated at Banangan, Sablan, Benguet consisting of 6.6217 hectares. On July 13, 2016, a Certificate of Finality of the DAR Order dated August 22, 2012 was issued by the DAR - Bureau of Agrarian Legal Assistance Office.

b. The Parent Company is either a defendant or plaintiff in lawsuits and legal actions arising from its various business activities. Management believes that the claims against the Parent Company are either without merit or that the ultimate liability, if any, resulting from lawsuits and legal actions will not materially affect the Parent Company's financial statements.

Reclassification
Certain accounts in 2020 financial statements were reclassified to conform with the presentation of 2021 financial statements. The reclassification did not have significant impact on the financial statements taken as a whole.

Effects of COVID-19 Pandemic
On March 11, 2020, the World Health Organization declared a global pandemic as a result of increasing number of COVID-19 cases worldwide. This was followed by the President of Philippines' issuance of Presidential Proclamation Order No. 929 declaring a State of Calamity in the Country from the COVID-19 outbreak.

Different quarantine classifications were imposed nationwide which resulted to disruptions in business and economic activities and their impact on business continue to evolve. Internally, the Parent Company continues to adapt to these including implementation of the following:

- Work-from-home arrangement for certain office and field personnel;
- Online meeting and discussion with client;
- Use of mobile banking and online platforms for certain financial transactions;
- Virtual annual stockholders' meeting and board meetings, subject to SEC Rules and Guidelines;
- Virtual board committee meetings.

Considering the evolving nature of this outbreak, the Parent Company continues to monitor the situation and will take further actions as necessary and appropriate in response to these economic disruptions and other consequences.

30. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

The Bureau of Internal Revenue (BIR) issued Revenue Regulation 15-2010 which requires additional tax information to be disclosed in the Notes to Financial Statements. The following information covering the calendar year ended December 31, 2021 is presented in compliance thereto.

- The details of VAT output tax declared in the Parent Company's 2021 VAT returns and the related accounts are as follows:

	Amount vatable	Output tax
Sale of condominium unit	P 5,508,036	P 660,964
Interest income on installment contract receivable	1,491,047	178,926
Others	341,855	41,023
	P 7,340,938	P 880,913

The Parent Company has vat exempt sales amounting to P29,032,555 pursuant to the Value-Added Tax provisions under RA 10963, or the "Tax Reform for Acceleration and Inclusion (TRAIN)".

- The VAT input tax claimed is broken down as follows:

Balance at the beginning of the year	P 946,775
Current year' domestic purchases/payments for:	
Goods	220,723
Services	225,825
Claims for tax credit/refund and other adjustment	(876,580)
	P 516,743

- The amounts of withholding taxes, by category is as follows:

Tax on compensation and benefits	P	1,296,132
Creditable withholding tax		276,965

- As of December 31, 2021, the Parent Company has no pending tax investigation within and outside the administration of the BIR.

- Taxes and licenses presented as part of Administrative Expenses in the Parent Company's statement of comprehensive income is broken down as follows:

Local business tax	P	921,850
Real property taxes		838,984
Annual listing fee in PSE		250,000
Others		51,289
	P	2,062,123

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 8638-3430 to 32; Fax: (632) 8638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until August 13, 2024
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100015-001-2019, valid until September 12, 2022

Independent Auditors' Report on Other Regulatory Requirements

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Tatak ng Kabayanihan
MARIEN REIAH N. BULATAO (Compliance Section)

The Board of Directors and Stockholders
OMICO CORPORATION
Suite 1109 East Tower, Tektite Towers
Exchange Road, Ortigas Center, Pasig City

We have audited the accompanying financial statements of Omico Corporation (the Company) for the year ended December 31, 2021, on which we have rendered the attached report dated March 28, 2022. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole.

The information contained in the Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of additional analysis and not a required part of the basic financial statements but supplementary information required by the Revised Securities Regulation Code Rule 68. Such information has been subjected to the auditing procedures applied in our audit and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R. R. TAN AND ASSOCIATES, CPAs

By: **CHESTER NIMITZ F. SALVADOR**
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 8131887, January 12, 2022, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-000251-003-2019, valid until June 12, 2022

March 28, 2022
Pasig City

Omico Corporation
Reconciliation of Retained Earnings Available for Dividend Declaration
DECEMBER 31, 2021

Deficit as at December 31, 2020, *as previously reported*		P	(390,878,034)
Add (Less): Cumulative mark to market loss on FVPL financial asset			3,550,235
Deficit as at December 31, 2020, *as adjusted*			(387,327,799)
Add: Net loss actually incurred during the period			
Net loss during the period closed to deficit	(15,238,012)		
Less: Non-actual/unrealized income net of tax	-		
Equity in net income of associate/joint venture	-		
Unrealized foreign exchage gain - net (except those attributable to cash and cash equivalents)	-		
Unrealized actuarial gain	-		
Fair value adjustment (mark-to-market gains)	-		
Fair value adjustment of investment property resulting to gain	-		
Recognized deferred tax asset that increased the net income	-		
Adjustment due to deviation from PFRS/GAAP - gain	-		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-		
Subtotal	-		
Add: Non-actual losses			
Depreciation on revaluation increment (after tax)	-		
Unrealized actuarial loss	-		
Fair value adjustment (mark-to-market losses)	3,718,416		
Adjustment due to deviation from PFRS/GAAP - loss	-		
Loss on fair value adjustment of investment property (after tax)	-		
Subtotal	3,718,416		
Net loss actually incurred during the period			(11,519,596)
Add(less):			
Dividend declarations during the period	-		
Appropriations of retained earnings during the year	-		
Reversals of appropriations	-		
Revaluation surplus realized through sale	-		
Treasury shares	-		
Subtotal			-
Deficit as at December 31, 2021		P	(398,847,395)

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Pagbabayad ng Buwis sa Bayan
Tatak ng Kabayanihan
MARIEN REIAH N. BULATAO (Compliance Section)

COVER SHEET

3 6 1 9 0

S.E.C. Registration Number

O M I C O   C O R P O R A T I O N

(Company's Full Name)

S U I T E   1 1 0 9   E A S T   T O W E R   T E K T I T E

T O W E R S   O R T I G A S   C T R   P A S I G   C I T Y

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

JUANA LOURDES M. BUYSON	8637-6923 & 8637-6924
Contact Person	Company Telephone Number

2021 SUSTAINABILITY REPORT

1 2	3 1			0 5	
Month	*Day*	FORM TYPE	Last Friday	*Month*	*Day*
Fiscal Year				Annual Meeting	

Secondary License Type, If Applicable

M S R D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

2 8 6 5 as of December 31, 2021	N O N E	N O N E
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

OMICO CORPORATION

2021 SUSTAINABILITY REPORT

Contextual Information

Company Details	
Name of Organization	**OMICO CORPORATION (The "Company" or "Omico")**
Location of Headquarters	Suite 1109 East Tower, Tektite Towers (Formerly: PSE Centre, Exchange Road, Ortigas Center, Pasig City 1605
Location of Operations	Brgy. Lourdes, Sta. Rosa, Nueva Ecija
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	Wholly Owned Subsidiaries: Omico Kapital Corporation Omico Mining Inc.
Business Model, including Primary Activities, Brands, Products, and Services	Mining exploration activities and Real property development
Reporting Period	For the Year 2021
Highest Ranking Person responsible for this report	Anna Mei Nga Tia President

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
In the assessment of materiality associated with sustainability issues, the Company determines the relevant topics that are sufficiently important that it is essential to report them. These topics cover the following elements: • Significant economic, environmental, and social impacts of the organization; • Information that substantively influence the assessments and decisions of stakeholders, including investors; and • Matters that substantively affect the Company's ability to create value over the short, medium and long-term.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	39,515,396.00	PhP
Direct economic value distributed:		
a. Operating costs (Total)	53,846,198.00	PhP
b. Employee wages and benefits	9,223,833.00	PhP
c. Payments to suppliers, other operating costs	26,484,737.00	Php
d. Dividends given to stockholders and interest payments to loan providers	0.00	PhP
e. Taxes given to government	3,008,577.00	PhP
f. Investments to community (e.g. donations, CSR)	0.00	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Direct economic value is distributed as a result of its primary operations through payments to suppliers or service providers, employees and construction workers' wages and benefits, and taxes to government agencies.	Employees, suppliers, government	The Company has systems in place to ensure that obligations to employees and construction workers, suppliers/service providers and the Government are settled immediately.
The economic impact is perceived mainly through its core business which is the development and sale of economic housing units.	Customers, suppliers, government	The Company has a real estate set-up encompassing different areas, namely; acquisitions, business development, technical planning, engineering and project management, sales and

For the Sta. Rosa Homes, Nueva Ecija project, the housing units are sold through Pag-IBIG housing scheme or in-house financing. The Company is an accredited developer in the Expanded Housing Loan Program of the Pag-IBIG Fund and was granted a budget allocation/funding commitment line of PhP36.708Million for the year 2021.		marketing, documentation and licensing, legal services, customer care, and property management. The Company has hands-on approach to respond effectively to its clients and industry partners.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company's future growth is dependent upon its ability to acquire and develop additional real estate projects, as well as, to develop the Company's other real estate properties located in Urdaneta City, Pangasinan; Tagaytay City, Cavite; Cabanatuan City, Nueva Ecija; and Metro Baguio.	Employees, suppliers, customers, shareholders, government	The Company continues to explore business opportunities and look for additional land or property, located in suitable project sites near high growth communities. Management is continuously studying and evaluating the future development of the Company's other real estate properties.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company's real estate business will benefit from the Government's infrastructure developments and will contribute to increased demand for residential housing units.	Employees, suppliers, customers, shareholders, government	The Company continues to explore business opportunities and look for additional land or property, located in suitable project sites near high growth communities. Management is continuously studying and evaluating the future development of the Company's other real estate properties.

Climate-related risks and opportunities

Governance	Strategy
Disclose the organization's governance around climate-related risks and opportunities. a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	The Board oversees that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. The Board's Audit Committee which also performs the functions of the Board Risk Oversight Committee is given the oversight role over the Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from management of information on risk exposures and risk management activities. The Audit Committee meets quarterly to ensure that the Company's risk

	management is aligned with the Company's strategy and overall economic condition of the country. Climate-related risks and opportunities are material to the Company. The Company is presently studying the different risks and opportunities related to climate impacts. These impacts will be embedded into the Company's risk management process.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company relies on various local suppliers for construction and other materials.	Suppliers, customers	The purchase of construction materials is centralized and is performed by the Procurement Department at the Company's Head Office. The Company has established a pre-qualification process to conduct due diligence and ensure the supplier's legitimacy, performance and capabilities as well as to confirm that the supplier meets the Company's standards including code of conduct, facility standards and human rights and the environment.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The supply of the required construction materials may not always be available, or these may not meet the Company's quality standards.	Suppliers, customers	The Company determines the adequate construction supplies inventory for a sustained period. The Company has a process of diversification of suppliers to mitigate supply chain disruptions.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company's strong relationship with the local suppliers enables the Company to be a preferred partner of these suppliers.	Suppliers, customers	The Company remains to strengthen its relationship with local suppliers through patronizing their products and services and prompt payment of construction materials deliveries and services.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The anti-corruption policies and procedures can prevent corruption using internal controls and these educate and provide employees with the Company's standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings.	Employees, community, suppliers, government, shareholders	The Company's anti-corruption policies and procedures implemented, enforced and adhered to are communicated to all employees through orientation and continuous trainings to embed them in the Company's culture. The Company has adopted a Code of business Conduct and Ethics which is posted at the Company's website: https://www.omico.com.ph/wp-content/uploads/2019/05/omico-code-of-business-conduct-and-ethics.pdf

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Any incidence of graft and corruption may have an adverse impact on the Company's operations and financial performance, cause a negative impression on the Company and erode the trust the Company has in the public sector to act in its best interests.	Employees, community, suppliers, government, shareholders	The adoption of anti-corruption policy and program endeavors to mitigate corrupt practices such as, but not limited to bribery, fraud, extortion, collusion, conflict of interest and money laundering. The Company has adopted a Code of business Conduct and Ethics which is posted at the Company's website: https://www.omico.com.ph/wp-content/uploads/2019/05/omico-code-of-business-conduct-and-ethics.pdf

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	Not available	GJ
Energy consumption (gasoline)	Not available	GJ
Energy consumption (LPG)	Not available	GJ
Energy consumption (diesel)	Not available	GJ
Energy consumption (electricity)	13,608	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	Not available	GJ
Energy reduction (LPG)	Not available	GJ
Energy reduction (diesel)	Not available	GJ
Energy reduction (electricity)	Not available	kWh
Energy reduction (gasoline)	Not available	GJ

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	Not available	Cubic meters
Water consumption	468	Cubic meters
Water recycled and reused	Not available	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?
Energy The Company's consumption of energy does not have material impact to the environment. Energy is consumed during the day to day operations of the Company in the construction project site and in the corporate office. Water Water is a vital element of the Company's operations in its construction project site and corporate office. The Company works to ensure availability of water to provide its customers clean and well-maintained premises. The Company recognizes its responsibility to use water resource as efficiently as possible.
What are the Risk/s Identified?
Energy and water shortages
What are the Opportunity/ies Identified?
The Company aims to increase water usage efficiency.
Management Approach
Energy The Company's real estate project/housing units are designed by incorporating features to consume less electricity. These designs are expected to translate to considerable energy savings. Water The Company implements measures to reduce water consumption in its facilities and educates is customers and employees on the importance of water conservation.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	Not available	kg/liters
• non-renewable	Not available	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	Not applicable (The Company is not engaged in manufacturing of products.)	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company's real estate project located in Sta. Rosa Homes, Nueva Ecija project uses construction materials to build the housing units including the roads in the said housing project.	Suppliers, community, customers	The Company recognizes that the construction materials such as cement, rebars, and glass are non-renewable which entails high amounts of costs, energy and emissions to produce.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Scarcity of materials impacts pricing which indirectly affects the Company's competitiveness.	Suppliers, customers	The Company regularly monitors its construction materials consumption. The Company works to continually improve on the designs and construction practices to ensure the optimization of materials without compromising quality or durability.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Significant portion of the total cost of the projects pertain to construction materials such as steel and cement. The reduction in materials usage has corresponding effect on financial performance.	Customers, shareholders	The Company is working on analyzing the efficiency of the usage of materials in its current real estate project development. Through this data, better design and construction systems can be created to increase efficiency in the usage of materials.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	Not available	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	Not available	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	Not available	Tonnes

What is the impact and where	Which stakeholders are	Management Approach

does it occur? What is the organization's involvement in the impact?	affected?	
Air emissions identified by the Company are mostly from electricity consumption. Indirect emissions come from the overall operations of the Company in its construction site and corporate office.	Community, customers, employees, shareholders	The Company's objective is to reduce emissions generated by continuously improving its efficiency in the usage of electricity.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
GHG emissions from the generation of electricity can contribute to climate change.	Community, customers, employees, shareholders	The Company will work on energy conservation measures to mitigate the impact of GHG emissions.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company sees an opportunity to reduce carbon emissions by incorporating energy efficient designs in its developments which can have a direct financial impact.	Community, customers, employees, shareholders	The Company's real estate project/housing units are designed by incorporating features to consume less electricity. These designs are expected to translate to considerable energy savings.

Air pollutants

Disclosure	Quantity	Units
NO_x	Not available	kg
SO_x	Not available	kg
Persistent organic pollutants (POPs)	Not available	kg
Volatile organic compounds (VOCs)	Not available	kg
Hazardous air pollutants (HAPs)	Not available	kg
Particulate matter (PM)	Not available	kg

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	Not available	kg
Reusable	Not available	kg
Recyclable	Not available	kg
Composted	Not available	kg
Incinerated	Not available	kg
Residuals/Landfilled	Not available	kg

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Not available	kg
Total weight of hazardous waste transported	Not available	kg

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Not available	Cubic meters
Percent of wastewater recycled	Not available	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	
Wastes Wastes that are generated from the Company's real estate project are collected by the Company's accredited waste collector and properly disposed in the landfills closest to the project's location. Effluents The Company consumes water in its project site and corporate office. The Company produces water discharges as a result of its day to day operations.	Government, community, environment	Wastes The Company assesses the capability of its waste collectors to ensure proper waste disposal. Effluents The Company minimizes effluents by designing and incorporating in its project site wastewater treatment system.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The company recognizes that it does not have full control whether the wastes collected from its project site are being recycled or stored in landfills. Biodegradable wastes that are dumped in these landfills become major source of GHG emissions.	Government, community, environment	The Company assesses the capability of its waste collectors to ensure proper waste disposal. The Company minimizes effluents by designing and incorporating in its project site wastewater treatment system.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company sees the opportunity to contribute to the improvement of waste management in the	Government, community, environment	The Company assesses the capability of its waste collectors to ensure proper waste disposal.

country.		The Company minimizes effluents by designing and incorporating in its project site wastewater treatment system.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0.00	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company's main business activity is real estate project development. This includes construction involving movement of soil, materials and other resources that can disrupt environment.	Employees, community, government, environment)	The Company recognizes that compliance to environmental laws is paramount to its operations. A team focused to manage and monitor compliance to environmental laws is established in the Company.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Due to the nature of the Company's business operations, there is a risk of non-compliance with environmental laws.	Employees, community, government, environment)	The Company recognizes that compliance to environmental laws is paramount to its operations. A team focused to manage and monitor compliance to environmental laws is established in the Company.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company strategizes to improve its monitoring system to ensure full compliance in the Government's environmental laws and regulations.	Employees, community, government, environment)	The Company will have internal training and third party advisories to monitor full compliance to the environmental laws and regulations.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[1]	10	
a. Number of female employees	6	#
b. Number of male employees	4	#
Attrition rate[2]	0%	rate
Ratio of lowest paid employee against minimum wage	None	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	33%	50%
PhilHealth	Y	0%	0%
Pag-ibig	Y	33%	25%
Parental leaves	Y	0%	0%
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth))	Y	17%	0%
Housing assistance (aside from Pag-ibig)	N	0%	0%
Retirement fund (aside from SSS)	Y	0%	0%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Flexible-working Hours	N	0%	25%
Rice subsidy	Y	100%	100%
Clothing allowance	Y	67%	100%

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	60%	%
% of male workers in the workforce	40%	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

[1] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[2] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	100	
a. Female employees	60	hours
b. Male employees	40	hours
Average training hours provided to employees	10	
a. Female employees	10	hours/employee
b. Male employees	10	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company recognizes that employees are instrumental to the realization of the Company's goals and success.	The Company has policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and success. The Company ensures that employees are valued for their contribution to the Company and are continuously empowered through professional development opportunities.
What are the Risk/s Identified?	**Management Approach**
Employment risk is part of doing business. This risk will directly affect the Company's culture, brand, operational efficiency, and ultimately profitability.	The Company conducts regularly employee satisfaction survey to determine the employees' satisfaction and feedback to address any personnel concerns within the company. The Company ensures that their compensation is consistent with the Company's culture, strategy and industry standards.
What are the Opportunity/ies Identified?	**Management Approach**
Personal growth and development empowers employees to perform better results and meet their goals. Through development opportunities within the workplace, the Company can expect to attract prospective employees and keep current employee population motivated, productive and confident.	The Company conducts regularly a review of the Human Resources Development/Personnel Handbook to strengthen provisions on salaries and benefits policies, promotion and career advancement directives.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	Not Applicable	%
Number of consultations conducted with employees concerning employee-related policies	None	#

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	Not Applicable	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	2	#

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	Y	The Company guarantees full respect for human rights and upholds the dignity of its employees.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company ensures compliance with the labor code and other laws and regulations protecting the rights of all its employees while promoting a healthy and safe environment in the workplace.	The Company requires key personnel to attend health and safety training/seminar to help employees identify hazards and adopt safe and healthy working practices.
What are the Risk/s Identified?	**Management Approach**
The Company recognizes that threats to the rights, health and safety of its employees impacts productivity, as well as employee retention and engagement.	Assessments are routinely made to ensure that safe working practices are adopted and workers are compliant to the Company's health and safety standards.
What are the Opportunity/ies Identified?	
The Company sees the opportunity to not only cascade compliance to labor laws and regulations within the Company but also to partners, suppliers and contractors that the Company is in business with. The Company continues to work with business partners to build a culture of health and safety within and outside its organization.	

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

The Company's supplier accreditation process are as follows:

1. Compliance to Regulatory Requirements.

All suppliers and contractors intending to do business with the Company must apply for accreditation through submission of the following but not limited to:

- Company Profile
- Business Permit/Mayor's Permit
- BIR Form 2303 or COR;
- PCAB License;
- SEC/DTI Registration;
- Articles of Incorporation/GIS;
- DOLE Certificate

2. Appraisal

The Company shall appraise all suppliers applying for accreditation. They will be assessed based on their Capability (project portfolios), Financial stability (Audited Financial statements) and Liquidity (Bank statement).

3. Review and Evaluation

All accredited suppliers shall be included and maintained in the supplier information database and will be reassessed regularly to ensure compliance and delivery.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Yes, through verbal query
Forced labor	Y	Yes, through verbal query
Child labor	Y	Yes, through verbal query
Human rights	Y	Yes, through verbal query
Bribery and corruption	Y	Yes, through verbal query

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company recognizes the role of its business partners in delivering the Company's products and services. The Company strives to maintain a long-term mutually beneficial relationship between suppliers, contractors and service providers.	The Company provides equal opportunities and promotes fair and open competition among its suppliers and trade partners.
What are the Risk/s Identified?	**Management Approach**
The Company recognizes the risk that suppliers and service providers may not deliver the products and services as specified and may not apply in their operations the correct practices agreed upon during the initiation of the contract.	The Company existing supplier accreditation policy ensures that its trade partners meet the Company's standards in delivering quality output. Also, the accreditation process aids to assess the supplier's capability and compliance to all relevant laws and regulations.
What are the Opportunity/ies Identified?	
The Company will review its existing supplier accreditation policies to enhance and include relevant	

criteria related to ESG framework.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)
Donation of Water Distribution Facilities For the year 2019, the Company donated to the Sta. Rosa (NE) Water District the water distribution facilities for the Company's real estate project located at Sta. Rosa Homes, Nueva Ecija, including the lot area where the water tank and pump house are located. **Donation of Amenities** The Company donated several amenities such as clubhouse, basketball court, parks and playgrounds in the Sta. Rosa Homes project to the Sta. Rosa Homes' Homeowners' Association. **Donation to LGU** The Company donated to the LGU a certain amount for the cost of repair of the damaged drainage line and road restoration caused by Typhoon "Ulysses" which swept through Central Luzon, including the province of Nueva Ecija, dumping heavy rainfall that triggered massive flooding which affected the Company's Sta. Rosa Homes Project and caused the collapse of the drainage line in Barangay La Fuente engulfing the concrete road thereat.

Certificates	Quantity	Units
FPIC process is still undergoing	Not Applicable	#
CP secured	Not Applicable	#

Disclosure on Free and Prior Informed Consent (FPIC) is not material given that there are no operations that is within or adjacent to ancestral domains of indigenous peoples.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	The Company values customer satisfaction and continues to provide quality economic housing units at its Sta. Rosa Homes, Nueva Ecija project at the best price.	The Sta. Rosa Homes housing units sold through Pag-IBIG Fund financing is subject to inspection and recommendation for approval by the Pag-IBIG Fund prior to the release of the buyer's loan takeout proceeds to the Company.

What is the impact and where does it occur? What	Management Approach

is the organization's involvement in the impact?	
The Company recognizes that customer satisfaction will impact the entire organization as it reflects the overall experience of the customer from reservation of units, monthly equity payments, prompt construction updates, smooth take-out and turn-over to property management. It does not only have a direct impact financially but it also affects morale and retention.	The company prioritizes its customers by implementing the following: 1)Customer Communications focused on Billings; Collections and Treasury; and Documentation 2) Managing Systems (Customer Portal, Trunk line, Email, SMS, FB) 3) Responding to general customer queries (FB, Email, Phone)
What are the Risk/s Identified?	**Management Approach**
Customer dissatisfaction can gravely affect the Company's business and customer relationships.	The Company continues to provide quality economic housing units at its Sta. Rosa Homes, Nueva Ecija project at the best price. The Company values advertising by word of mouth and first-hand experience by their brokers, agents and return customers.
What are the Opportunity/ies Identified?	**Management Approach**
The Company will promptly provide the most appropriate solutions to any issues that may be of concern to customers.	The Company will identify the needs of its customers, solicit feedback from customers at every step of the process.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	None	#
No. of complaints addressed	None	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company ensures customer's health and safety.	The Company ensures that its properties do not pose any risk to health and safety to its stakeholders.
What are the Risk/s Identified?	**What are the Risk/s Identified?**
Accidents that are out of the Company's control that can happen within the Company's premises, projects, facilities.	The Company is committed to meet the highest building standards to be resilient to any structural threats.
What are the Opportunity/ies Identified?	**What are the Opportunity/ies Identified?**
The Company continues improvement in the areas of	Risk assessment in the Company's premises for slip, trip and fall accidents prevention are

health and safety.	periodically being conducted.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	None	#
No. of complaints addressed	None	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company advertises its products through billboards, brochures and other promotional means.	The Company ensures that it complies with existing laws and regulations pertaining to product promotions and advertising.
What are the Risk/s Identified?	**Management Approach**
There are no significant risks identified.	Not Applicable
What are the Opportunity/ies Identified?	**Management Approach**
Labels can create profound impacts on the Company's overall marketing efforts and can gravely affect a potential buyer's decision to purchase.	The Company's marketing and labelling strategy ensures that these cater to what the market needs and prefers.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	None	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
All customer personal information such as names, addresses, contact information, signature, and other details that were collected by the Company in the course of its transactions with them are logged in the Company's database and can be accessed only by duly authorized personnel.	Pursuant to the Republic Act. No. 10173, also known as the Data Privacy Act ("DPA"), the Company has prepared a Data Privacy Manual which aims to protect the customer's personal data in information and communications systems.
What are the Risk/s Identified?	**Management Approach**
The Company recognizes that there is a threat to data security due to cyber hacking. This may result to disruption in the Company's operations and/or loss/theft of corporate information and/or personal identification information.	The Company respects and values data privacy rights and makes sure that all personal data collected from the data subjects are processed in adherence to the general principles of transparency, legitimate purpose, and proportionality.
What are the Opportunity/ies Identified?	**Management Approach**
The Company continues to assess data management system to improve customer confidence and patronage.	The Company's Data Privacy Manual aims to inform the data subjects of the Company's data protection and security measures, and to guide them in the exercise of their rights under the DPA and other relevant regulations and policies. The Company's Data Privacy Manual will help create an awareness of privacy requirements to be an integral part of the day-to-day operation of the Company and ensure that all employees understand the importance of privacy practices and their responsibilities for maintaining privacy. This will help ensure that all employees are aware of the processes that need to be followed for collection, lawful usage, disclosures or transfer, retention, archival and disposal of personal information.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Residential Subdivision		ESG impacts	Included in Sustainability report
Property Management		ESG impacts	Included in Sustainability report
Office Spaces		ESG impacts	Included in Sustainability report