Annex "A"

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A S 0 9 2 - 0 0 5 8 9

Company Name

G R E E N E R G Y   H O L D I N G S
I N C O R P O R A T E D   A N D   S U B S I D I A R I E S

Principal Office (No./Street/Barangay/City/Town)Province)

5 4   N A T I O N A L   R O A D ,   D A M P O L   I I - A ,
P U L I L A N ,   B U L A C A N

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	C R M D	S T O C K I S S U E R

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
www.ghi.com.ph	(02) 8 997-5184	N/A

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1024	2nd Friday of June	31-Dec

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Kenneth S. Tan	kenneth.tan@ghi.com.ph	(02) 8 997-5184	N/A

Contact Person's Address

Unit 112 Cedar Mansion II, No. 7 St. Jose Ma. Escriva Drive, Ortigas Center, Pasig City

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

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

GREENERGY HOLDINGS INCORPORATED
(formerly MUSX Corporation)
54 National Road, Dampol II-A, Pulilan, Bulacan
Tel. No. (02) 997-5184

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein for the years ended December 31, 2021 and 2020 in accordance with the Philippine Financial Reporting Standard, 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 Group's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless Management 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 financial statements, including the schedules attached therein, and submits the same to the stockholders.

R.S. Bernaldo & Associates and Constantino and Partners, the independent auditors appointed by the stockholders for the years ended December 31, 2021 and 2020, respectively, have audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, have expressed their opinions on the fairness of presentation upon completion of such audits.

Signed this 23th day of April 2022.

ANTONIO L. TIU
Chairman of the Board

DAVE ALMARINEZ
President / CEO

KENNETH TAN
Treasurer / CFO

SUBSCRIBED AND SWORN TO before me this 13th day of May, 2022, affiants appeared and exhibited to me their competent evidence of identity, bearing their respective photographs and signatures, to wit:

Name	Competent Evidence of Identity	Expiration Date & Place of Issue
Antonio L. Tiu	Passport No. P5749783A	Valid until 24 January 2028; issued at the DFA-Manila
Kenneth S. Tan	DL No. N04-90-144089	Valid until 26 December 2031 issued By LTO
Dave Almarinez	DL No. D04-91-048525	Valid until 29 August 2024 issued By LTO

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Book No. XII
Series of 2022

Atty Rosalinda A. Montenegro
Notary public
Until December 31, 2022
PTR No. 583212 1/03/22
IBP No. AR 10998326 1/4/21
Roll No. 68465
ADM Matter No. NP 024 (2020-2021)
MCLE Compliance No. VI-005347
Extended Until June 30, 2022 as per B.M No. 3795
Add: unit 312 Acre Bldg.,137 Malakas St. Brgy Central, Q.C.

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
No. 54 National Road,
Dampol II-A, Pulilan,
Bulacan.

Opinion

We have audited the consolidated financial statements of **GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES** (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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 financial position of the Group as at December 31, 2021, and its financial performance and cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

R.S. Bernaldo & Associates is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Key Audit Matter 1

Recoverability of Advances to a Stockholders

As at December 31, 2021, the Group has a net carrying value of receivables from stockholders amounting to ₱617,180,870. This represents 28.06% of the Group's total assets. In addition, the assessment of recoverability of the advances requires a high-level management judgement and the estimation of the amounts are included in Note 19 of the consolidated financial statements.

Our Response

Our audit procedures focused on the evaluation of management's assessment on the recoverability of the advances to a stockholder. We obtained confirmation from the stockholder for the acknowledgement of the liability to the Group and repayment agreement that that covers the timing and manner of payment through future cash flows and/or liquidation.

Other Information

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

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

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

Other Matter

The consolidated financial statements of the Group for the years ended December 31, 2020 and 2019, were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on report dated April 28, 2021.

As part of our audit of the December 31, 2021 consolidated financial statements, we also audited the reclassifications described in Note 37 that were applied to amend the December 31, 2020 consolidated financial statements. In our opinion, such reclassifications are appropriate and have been applied. We were not engaged to audit, review or apply any procedure to December 31, 2020 consolidated financial statements of the Group other than with respect to the reclassifications; accordingly, we do not express an opinion or any other form of assurance on the December 31, 2020 consolidated financial statements taken as a whole.

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

Management is responsible for the preparation and fair presentation of these 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 have no realistic alternative 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 assurance, but is not a guarantee that an audit is conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to 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 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 the auditor's report. 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 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 of such communication.

The engagement partner on the audit resulting in this independent auditors' report is **REAN G. ABALOS.**

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until May 28, 2024
SEC Group A Accredited
Accreditation No. 0300-SEC
Valid until 2024 audit period
BSP Group B Accredited
Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2020
Valid from February 24, 2020 until February 23, 2023
IC Accreditation No. F-2019-004-R
Valid until October 1, 2022

REAN G. ABALOS
Partner
CPA Certificate No. 126203
SEC Group A Accredited
Accreditation No. 1781-A
Valid until September 23, 2022
BIR Accreditation No. 08-007679-002-2020
Valid from October 20, 2020 until October 19, 2023
Tax Identification No. 271-226-260
PTR No. 8855244
Issued on January 5, 2022 at Makati City

May 10, 2022
Makati City, Metro Manila

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(With Comparative Figures as of December 31, 2020)
(Amounts in Philippine Pesos)

	Notes	2021	2020
ASSETS			
Current Assets			
Cash	6	**3,174,413**	2,784,168
Trade and other receivables – net	7	**252,493,907**	251,845,717
Due from relates parties – net	19	**623,129,303**	696,111,219
Inventories	8	**2,019,783**	-
Other current assets – net	9	**243,878**	19,790
Total Current Assets		**881,061,284**	950,760,894
Noncurrent Assets			
Deposit for land acquisition	10	**19,600,000**	19,600,000
Financial assets at fair value through other comprehensive income (FVOCI)	11	**1,074,337,359**	1,458,373,432
Property and equipment – net	13	**139,037,964**	141,632,520
Intangible assets	14	**2,522,819**	-
Investment properties – net	15	**7,057,560**	6,320,465
Biological assets	16	**14,513,155**	-
Advances to projects	17	**61,261,500**	-
Total Noncurrent Assets		**1,318,330,357**	1,625,926,417
		2,199,391,641	2,576,687,311
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	18	**8,240,287**	8,089,349
Due to related parties	19	**268,521,576**	91,673,912
Income tax payable		**156,301**	27,124
Total Current Liabilities		**276,918,164**	99,790,385
Noncurrent Liability			
Deferred tax liability	27	**4,251,821**	-
Total Liabilities		**281,169,985**	99,790,385
Equity			
Capital stock			
Common shares – P1 par value			
Authorized – 4,900,000,000 shares in 2021 and 1,900,000,000 shares in 2020 and 2019			
Subscribed and paid – 1,939,099,948 shares in 2021 and 1,704,778,573 in 2020 and 2019	20	**1,939,099,849**	1,704,778,573
Preferred – P0.10 par value			
Authorized and subscribed – 1,000,000,000 shares	20	**100,000,000**	100,000,000
Additional paid-in capital	20	**283,715,531**	268,090,531
Deposit for future stock subscription	19	**-**	221,821,275
Revaluation surplus	21	**5,141,038**	-
Cumulative fair value gain (loss) on financial assets at FVOCI	11	**(2,214,830,598)**	(1,640,670,111)
Retained earnings		**1,708,835,948**	1,724,527,465
Foreign currency translation reserve		**(2,210)**	-
		1,821,959,558	2,378,547,733
Non-controlling interests	29	**96,262,098**	98,349,193
Total Equity		**1,918,221,656**	2,476,896,926
		2,199,391,641	2,576,687,311

See Accompanying Notes to Consolidated Financial Statements

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Figures for the Years Ended December 31, 2020 and 2019)
(Amounts in Philippine Pesos)

	Notes	**2021**	2020	2019
REVENUES				
Sales	22	**30,282,437**	9,392,912	1,645,603
Rent	22	**-**	434,838	395,307
		30,282,437	9,827,750	2,040,910
COST OF SALES	23	**22,272,036**	12,793,945	6,929,677
GROSS INCOME (LOSS)		**8,010,401**	(2,966,195)	(4,888,767)
GENERAL AND ADMINISTRATIVE EXPENSES	24	**(34,573,725)**	(27,315,236)	(32,448,331)
OPERATING LOSS		**(26,563,324)**	(30,281,431)	(37,337,098)
INCOME (CHARGES) – net				
Unrealized fair value gain	16	**10,152,565**	-	-
Reversal of impairment loss	7,9,15,19	**737,095**	4,749,477	-
Foreign exchange gain (loss)	6	**3,086**	(1,820)	(3,931)
Interest income	6	**1,234**	1,827	28,917
Reversal of payables	18	**-**	116,332	8,272,480
Gain on sale of financial asset at FVOCI	11	**-**	86,578	220,000
Accounts written off	9	**(6,630)**	(22,208)	(28,656)
Provision for impairment loss	7,9,19	**(16,496)**	(18,373,435)	(27,734,778)
		10,870,854	(13,443,249)	(19,245,968)
LOSS BEFORE INCOME TAX		**(15,692,470)**	(43,724,680)	(56,583,066)
INCOME TAX EXPENSE	26	**2,711,142**	40,563	165,449
NET LOSS		**(18,403,612)**	(43,765,243)	(56,748,515)
OTHER COMPREHENSIVE INCOME (OCI)				
Not reclassified subsequently to profit or loss				
Gain on revaluation of bearer asset	21	**6,854,717**	-	-
Tax effect	21	**(1,713,679)**	-	-
Decrease in fair value of financial assets at FVOCI	11	**(574,160,487)**	(1,002,631,734)	(638,038,377)
TOTAL COMPREHENSIVE LOSS		**(587,423,061)**	(1,046,396,977)	(694,786,892)
NET LOSS ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**(15,691,517)**	(28,874,349)	(40,692,467)
Non-controlling interest		**(2,712,095)**	(14,890,894)	(16,056,048)
		(18,403,612)	(43,765,243)	(56,748,515)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO				
Equity holders of the Parent Company		**(589,852,004)**	(1,031,506,083)	(678,730,844)
Non-controlling interest		**(2,712,095)**	(14,890,894)	(16,056,048)
		(592,564,099)	(1,046,396,977)	(694,786,892)
LOSS PER SHARE		**(0.01)**	(0.02)	(0.02)

See Accompanying Notes to Consolidated Financial Statements

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Figures for the Years Ended December 31, 2020 and 2019)
(Amounts in Philippine Pesos)

	Notes	**2021**	2020	2019
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY				
CAPITAL STOCK				
Common shares				
Authorized – 4.9 billion shares in 2021 and 1.9 billion shares in 2020 and 2019				
Par value – P1 per share				
Balance at beginning of year		**1,800,778,573**	1,800,778,572	1,800,778,572
Issued during the year		**578,178,726**	1	-
Conversion from deposit for future stock subscription		**221,821,275**	-	-
Balance at end of year		**2,600,778,574**	1,800,778,573	1,800,778,572
Subscriptions receivable				
Balance at beginning of year		**(96,000,000)**	(97,500,000)	(97,500,000)
Additions during the year		**(565,678,725)**	-	-
Collections during the year		**-**	1,500,000	-
Balance at end of year		**(661,678,725)**	(96,000,000)	(97,500,000)
Common stock net of subscription receivable	20	**1,939,099,849**	1,704,778,573	1,703,278,572
Preferred – P0.10 par value per share				
Issued	20	**100,000,000**	100,000,000	100,000,000
		2,039,099,849	1,804,778,573	1,803,278,572
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		**268,090,531**	268,090,531	268,090,531
Additions during the year		**15,625,000**	-	-
Balance at end of year	20	**283,715,531**	268,090,531	268,090,531
DEPOSIT FOR FUTURE STOCK SUBSCRIPTION				
Balance at beginning of year		**221,821,275**	-	-
Transfer from liability		**-**	221,821,275	-
Conversion to capital stock		**(221,821,275)**	-	-
	19	**-**	221,821,275	-
REVALUATION SURPLUS				
Balance at beginning of year		**-**	-	-
Other comprehensive income		**5,141,038**	-	-
Balance at end of year	21	**5,141,038**	-	-
CUMULATIVE FAIR VALUE LOSS ON FINANCIAL ASSET AT FVOCI				
Balance at beginning of year		**(1,640,670,111)**	(638,038,377)	607,640
Unrealized loss during the year		**(574,160,487)**	(1,002,631,734)	(638,038,377)
Reclassification to retained earnings		**-**	-	(607,640)
Balance at end of year	11	**(2,214,830,598)**	(1,640,670,111)	(638,038,377)
RETAINED EARNINGS				
Balance at beginning of year		**1,724,527,465**	1,753,401,814	1,793,486,641
Net loss during the year		**(15,691,517)**	(28,874,349)	(40,692,467)
Reclassification from OCI		**-**	-	607,640
Balance at end of year		**1,708,835,948**	1,724,527,465	1,753,401,814
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance at beginning of year		**-**	-	-
Exchange differences during the year		**(2,210)**	-	-
Balance at end of year		**(2,210)**	-	-
NON-CONTROLLING INTERESTS				
Balance at beginning of year		**98,349,193**	113,238,354	129,294,402
Net loss during the year		**(2,712,095)**	(14,890,894)	(16,056,048)
Addition during the year		**625,000**	1,733	-
Balance at end of year	29	**96,262,098**	98,349,193	113,238,354
		1,918,221,656	2,476,896,926	3,299,970,894

See Accompanying Notes to Consolidated Financial Statements

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

(With Comparative Figures for the Years Ended December 31, 2020 and 2019)

(Amounts in Philippine Pesos)

	Notes	**2021**	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(15,692,470)**	(43,724,680)	(56,583,066)
Adjustments for:				
Depreciation and amortization	13,23,24	**15,636,597**	12,885,917	12,844,793
Loss on disposal of properties	13,24	**817,420**	-	-
Provision for impairment losses	7,9,19	**16,496**	18,373,435	27,734,778
Write-off	9	**6,630**	22,208	28,656
Gain on sale of financial assets at FVOCI	11	**-**	(86,578)	(220,000)
Reversal of payables	18	**-**	(116,332)	(8,272,480)
Interest income	6	**(1,234)**	(1,827)	(28,917)
Unrealized foreign exchange loss (gain)	6	**(3,086)**	1,820	3,931
Reversal of impairment loss	7,9,19	**(737,095)**	(4,749,477)	-
Fair value gain of biological assets	16	**(10,152,565)**	-	-
Operating loss before working capital changes		**(10,109,307)**	(17,395,514)	(24,492,305)
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Trade and other receivables		**(648,190)**	4,754,584	(2,053,509)
Other current assets		**(247,214)**	(126,114)	(9,050,758)
Inventories		**(2,019,783)**	-	-
Increase (decrease) in trade and other payables		**150,939**	(11,009,792)	4,585,221
Cash used in operations		**(12,873,555)**	(23,776,836)	(31,011,351)
Interest received		**1,234**	1,827	28,917
Income taxes paid		**(43,824)**	(178,888)	(956)
Net cash used in operating activities		**(12,916,145)**	(23,953,897)	(30,983,390)
CASH FLOWS FROM INVESTING ACTIVITIES				
Collections from related parties	19	**76,794,416**	20,547,225	38,071,311
Increase in deposit for land acquisition	10	**-**	-	(4,000,000)
Proceeds from sale of financial assets at FVOCI	11	**-**	1,731,241	2,190,000
Additions to intangible assets	14	**(2,522,819)**	-	-
Advances made to related parties	19	**(3,812,500)**	(7,403,179)	(31,962,293)
Additions to biological assets	16	**(4,360,590)**	-	-
Additions to property and equipment	13	**(7,004,744)**	-	(257,360)
Advances to project	17	**(61,261,500)**	-	-
Additions to financial assets at FVOCI	11	**(190,124,414)**	(1,644,663)	-
Net cash provided by (used in) investing activities		**(192,292,151)**	13,230,624	4,041,658
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances received from related parties	19	**176,847,664**	12,313,789	7,814,924
Additional paid in capital	20	**15,625,000**	-	-
Issuance of shares	20	**12,500,001**	1	-
Increase in non-controlling interest	29	**625,000**	1,733	-
Collections of stock subscriptions	20	**-**	1,500,000	-
Additional deposits for future stock subscription	19	**-**	-	44,821,275
Payments to related parties	19	**-**	(1,626,336)	(36,901,907)
Net cash provided by financing activities		**205,597,665**	12,189,187	15,734,292
EFFECTS OF EXCHANGE RATE CHANGES ON CASH		**876**	(1,820)	(3,931)
NET INCREASE (DECREASE) IN CASH		**390,245**	1,464,094	(11,211,371)
CASH AT BEGINNING OF YEAR		**2,784,168**	1,320,074	12,531,445
CASH AT END OF YEAR		**3,174,413**	2,784,168	1,320,074

See Accompanying Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

(With Comparative Figures as of and for the Years Ended December 31, 2020 and 2019)

(Amounts in Philippines Pesos)

1. Corporate Information

Greenergy Holdings Incorporated ("GHI" or the Parent Company) was registered and incorporated with the Philippine Securities and Exchange Commission (SEC) on January 29, 1992 as MUSX Corporation to primarily engage in the manufacture and sale of semiconductor products. In 2011, the SEC approved the amendment of its Articles of Incorporation to change the registered name to Greenergy Holdings Incorporated. The Parent Company's shares are publicly-listed in the Philippine Stock Exchange (PSE) under ticker symbol "GREEN".

The Parent Company's primary purpose is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge or otherwise dispose of real or personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidence of indebtedness, marketable securities, deposit substitutes in any valid currency, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes thesame may have been organized and to pay therefore in money or by exchanging therefore stocks, bonds, or other evidence of indebtedness or securities of this or any other corporation,stocks, bonds, debentures, contracts, or obligations, to receive, collect, and dispose of the interest, dividends, proceeds and income arising from such property, and to possess and exercise in respect therefore all voting powers of any stock so owned, provided that GHI shallnot engage as stock brokers or dealers in securities.

The Parent Company and its subsidiaries (collectively referred to as the "Group") are involved in diversified industries such as renewable energy and waste recycling projects, food and agriculture, information technology, fintech, biotech, green infrastructure, and transient oriented property development. The Group plans to invest in green and sustainable projects and aims to become a carbon neutral company by the year 2030 under vision #GREEN2030.

The Parent Company's registered address and principal place of business is at 54 National Road, Dampol II-A, Pulilan, Bulacan 3005, Philippines.

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries:

Investee	Country of Incorporation	Principal Activity	Principal place of business	Functional Currency	Ownership 2021	2020
Winsun Green Ventures, Inc. (WGVI)	Philippines	Renewable energy system	Pulilan, Bulacan	Philippine Peso (PHP)	**100.00%**	100.00%
Agrinurture Development Holdings, Inc. (ADHI)	Philippines	Investment holding	Makati City	Philippine Peso (PHP)	**100.00%**	100.00%
Sunchamp Real Estate Development Corp. (SREDC)	Philippines	Real estate and agriculture	Makati City	Philippine Peso (PHP)	**62.40%**	62.40%
Lite Speed Technologies, Inc. (LSTI)	Philippines	Information technology	Makati City	Philippine Peso (PHP)	**51.00%**	51.00%
Total Waste Management Recovery System, Inc. (TWMRSI)	Philippines	Waste management facility	Pulilan, Bulacan	Philippine Peso (PHP)	**51.00%**	51.00%
Yakuru Group Pty. Limited (YGPL)	Australia	Professional, Scientific and technical Services	New South Wales, Australia	Australian Dollar (AUD)	**51.00%**	51.00%
Ocean Biochemistry Technology Research, Inc. (OBTRI)	Philippines	Trading of goods and commodities	Pulilan, Bulacan	Philippine Peso (PHP)	**60.00%**	-

Going Concern

The Group's consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue towards increasing revenues and improving operations despite significant losses incurred over the years. The Group shall continue to expand its core business and increase coverage in various investments in diversified industries such as, but not limited to, renewable energy, real estate, agriculture, waste management facility, information technology and trading.

In view thereof, the Parent Company has started an active campaign to gain new clients as well as to revive previous relationships through marketing and selling activities in the Philippines and overseas since 2019. The Parent Company plans to invest in green and sustainable projects and aims to become a carbon neutral company by the year 2030 under vision #GREEN2030. As a result, the Parent Company has the following business activities:

A. On March 25, 2021, the Parent Company executed a Memorandum of Agreement (the "MOA") with Ala Eh Knit, Inc. ("Ala Eh"), an affiliate of Abacore Capital Holdings, Inc., ("ABA") for the development and operation of a logistics center and food terminal in a three-hectare property in Barangay Santa Rita, Aplaya, Batangas City (the "Property").

   Under the MOA, Ala Eh shall amend its Articles of Incorporation as follows:
   1. Increase its authorized capital stock to ₱1,500,000,000 (the "Increase");
   2. Change its primary purpose to allow it to engage in the business of operating, managing, leasing, and developing the Logistic Center and the Food Terminal Complex; and
   3. Change its corporate name.

The existing shareholders of Ala Eh shall likewise infuse the Property into Ala Eh in exchange for such number of shares equivalent to 40% of the total outstanding capital stock of Ala Eh after the Increase. The total amount of the existing shareholders' intended subscription is Six Hundred Million Pesos (₱600,000,000). The Parent Company, on the other hand, shall subscribe to such number of shares equivalent to 60% of the total outstanding capital stock of Ala Eh after the Increase. The total amount of the Parent Company's intended subscription is Nine Hundred Million Pesos (₱900,000,000). The Parent Company shall manage the construction, development and operation of the Logistics Center consisting of cold and dry storage facilities, agri-processing facilities and other facilities that are necessary for marketing and procurement activities.

As at April 28, 2021, pursuant to the MOA, the Parent Company and Ala Eh are still in discussion on the most tax efficient manner of infusing the Property into Ala Eh. Once the parties have agreed on said manner of transfer, Ala Eh shall proceed to get the necessary approvals from its Board of Directors, stockholders, the SEC, and other relevant regulatory agencies, if any, to implement the transactions contemplated under the MOA (e.g., amendments of the Articles of Incorporation, infusion of the Property, execution of subscription agreement, etc.).

B. On March 1, 2021, the Parent Company, ABS-CBN Corporation ("ABS-CBN") and iBayad Online Ventures, Inc. ("iBayad") executed a legally binding Term Sheet for the acquisition by the Parent Company of fifty-one million (51,000,000) fully paid common shares of U- Pay Digital Technologies, Inc. ("U-Pay") from ABS-CBN which would result in the Parent Company owning fifty-one percent (51%) of the outstanding capital stock of U-Pay (the "Transaction"). The Parent Company shall pay the total amount of Fifty-Four Million Pesos (₱54,000,000) as consideration for the Transaction.

Under the Term Sheet, iBayad shall provide expertise in financial technology, programs and software applications it has developed and will develop for U-Pay, including the service and maintenance thereof. Further, the execution of the definitive agreements is conditioned on a satisfactory legal, financial and environmental, social and governance due diligence by the Parent Company. The Parent Company is given 45 days from execution of the Term Sheet within which to complete the due diligence. The Transaction is also subject to approvals of pertinent government authorities.

U-Pay is a fintech company engaged in the business of customer and merchant e-wallet/e-money services and other related services, operating a platform therefor, as well as advertising, producing, distributing, and marketing products and services that are connected to the operations of said business. It has a Type "C" E-Money Issuer license issued by the Bangko Sentral ng Pilipinas and duly registered to operate as a Remittance and Transfer Company.

On July 30, 2021, the BOD authorized the Parent Company to enter into a Share Purchase Agreement with ABS-CBN for: (i) the investment of the Company in U-Pay through acquisition from ABS-CBN of 51,000,000 shares of stocks of U-pay (the "Subject Shares") with a par value of P1.00 per share, at a price of its total par value of ₱51,000,000.00 (the "the Purchase Price"), which would result in the Company owning 51% of the outstanding capital stock of U-Pay: and (ii) payment of additional consideration of ₱3,000,000 for disbursement of fees and charges due on U-Pay's governmental permits and licenses, reimbursement for the pre-operating expenses advanced by ABS-CBN to U-Pay and assignment to U-Pay of ABS-CBN's rights and interests to the marks and all other intellectual property rights created and developed by ABS-CBN.

Also, the Parent Company was authorized to enter into a Shareholder's Agreement with the existing shareholder of U-Pay, iBayad, which will govern the relationship between the said corporation and the Parent Company as shareholder of U-Pay.

On the same day, the Share Purchase Agreement was executed between the Parent Company and ABS-CBN. The closing date of the Transaction shall be subject to the completion of certain conditions precedent to closing, including the issuance by the Bangko Sentral ng Pilipinas ("BSP") of a letter of no objection ("LONO") to the acquisition of the Subject Shares by the Company, which shall not be later than 30 September 2021.

On September 30, 2021, the parties agreed to the extension of the closing date provided in the Share Purchase Agreement to November 15, 2021. Subsequently, on November 15, 2021, the Parent Company and ABS-CBN agreed to further extend the closing date to December 15, 2021 in view of the pendency of the issuance by the BSP of the LONO in relation to the Transaction, which is one of the conditions precedents to the closing date.

Considering that the parties have yet to receive the LONO from the BSP, the parties have mutually agreed to further extend the closing date of the Transaction to June 30, 2022.

C. On August 10, 2021 the Board of Directors approved the authority of the Parent Company to execute a Memorandum of Agreement with Sky Cable Corporation ("Sky Cable"), for the offering of public/community Wi-Fi services located at various sites within Sky Cable's franchise areas in Makati City.

   On September 13, 2021, the parties executed the Proof of Concept Agreement (the "Agreement") wherein the parties mutually agreed to conduct a trial project to verify the commercial viability and test the technical aspects of the offering of public/community Wi-Fi services located at various sites within Sky Cable's franchise areas in Makati City and the Parent Company's designated locations. The Agreement shall be effective upon the date of its execution and shall terminate on 30 November 2021, unless otherwise extended by mutual consent of the parties."

   As of December 31, 2021, the Group is currently doing Proof of Concept with roll-out of auto vending machines in key locations.

D. On July 23, 2021, the Parent Company executed a Memorandum of Agreement ("MOA") with Dito Telecommunity Corporation ("DITO") whereby the Company shall render commission-based lead generation services to DITO to lead the public to DITO-related programs and services through offline or online/digital means using its own system or the system of any of its third-party affiliates. The Parent Company and DITO will also collaborate in other areas through co-marketing efforts to support the expansion of DITO's client base and at the same time promote the Parent Company's digital initiatives. The MOA shall have a term of one (1) year, renewable upon the agreement of the parties.

   This collaboration between the Parent Company and DITO will pave the way for the conversion of the Parent Company's existing clients, partners, and affiliates to become DITO mobile subscribers, and will expand the Company's vision to build a digital ecosystem for the agricultural sector under vision #GREEN2030.

   DITO is a licensed telecommunications company with the necessary franchise, equipment, and capability to operate a mobile telecommunication network and offer products and services to the public such as postpaid and prepaid mobile plans and co-branded handsets and other merchandise.

As of December 31, 2021, the Group is currently testing the reloading using U-Pay Application within ANI's ecosystem.

E. On February 23, 2021, the Parent Company executed a Subscription Agreement with Ocean Biochemistry Technology Research, Inc. ("OBTRI") wherein the Parent Company subscribed to thirty-seven thousand five hundred (37,500) primary common shares of OBTRI from the unissued portion of the latter's outstanding capital stock with asubscription price per share of One Hundred Pesos (₱100) or an aggregate subscription price of Three Million Seven Hundred Fifty Thousand Pesos (₱3,750,000) ("Subscription Price"). The Parent Company has paid 25% of the Subscription Price upon execution of the Subscription Agreement while the balance shall be paid upon call by the Board of Directors of OBTRI. Upon issuance of the shares, the Parent Company shall hold 60% ofthe total issued and outstanding shares of OBTRI.

OBTRI is a domestic corporation engaged in the business of manufacturing and trading. Upon compliance with the relevant regulatory requirements, it intends to engage in manufacturing and trading of pharmaceutical, nutraceutical and alternative medicine andwill secure a registration with the Food and Drug Administration. It is 51% owned by M2000 Imex Company, Inc., a wholly-owned subsidiary of AgriNurture, Inc., prior to theParent Company's subscription."

F. On January 26, 2021, the Parent Company executed a Memorandum of Agreement (the "Agreement") with ITBS Information Technology Business Solutions Corp. ("ITBS") for the integration of ePitaka, a payment platform system for financial transactions developed by the Parent Company's related parties, with ITBS' Smart Country Ecosystem's electronic Know Your Citizen platform installed by ITBS in various local government units in the Philippines. The Agreement has a term of three years with an option to renew for another two years upon expiration of the original term.

G. On April 11, 2019, the Parent Company entered into an International Distributorship Agreement (IDA) with Hanergy Thin Film Power Asia Pacific Limited (Hanergy). Hanergy is engaged in the business of manufacturing and selling solar-powered related products.Under the Agreement, the Parent Company is appointed as Hanergy's distributor in the Philippines for the promotion and sale of all Hanergy solar products such as, but not limited to, the new and innovative Film Flat SOLARtile. The Agreement has a term of one (1) year, with an option to renew for another year upon expiration of the original term. On April 10, 2020, the Agreement was extended for a period of 30 days or until May 10, 2020. On May 11, 2020, the parties mutually agreed to have the Parent Company, through its wholly-owned subsidiary, Winsun Green Ventures, Inc. (WGVI), continue as distributor of Hanergy's solar products in the Philippines. On the same date,WGVI and Hanergy executed an International Distributorship Agreement.

On May 11, 2021, the agreement between Hanergy and WGVI expired. WGVI decided not to renew the Agreement and open up supply sourcing of its pending project from any solar panel suppliers which can offer the best technology at efficient cost, in light of the advancement in global solar technology and improved cost efficiency.

H. On September 9, 2020, the Board of Directors approved the incorporation of Yakuru Group Pty. Limited (YGPL) under the laws of Australia, wherein the Parent Company shallhold 51% equity interest. The subscription price of AUS$51.00, paid in full, is based onthe par value of the shares. This will expand the investment portfolio of the Parent Company to include biotechnology. YGPL is a proprietary company limited by shares. YGPL shall venture into biotechnology with primary focus on development and marketing of medicinal hemp globally.

I. On July 17, 2019, the Parent Company also entered into a Memorandum of Agreement (MOA) with RYM Business Management Corp. ("RYM") and certain landowners in connection with an investment in Prime Media Holdings, Inc. ("Prime"). Under the MOA, properties in, among others, the Province of Rizal will be invested, infused and contributed to Prime in exchange for primary common shares to be issued from the latter's unissued authorized capital stock (the "Investment"). The Investment is subject to verification and validation by RYM of the titles and ownership rights of the landowners.

On October 15, 2019, the Parties agreed to the extension of the prescribed periods provided in the Agreement. However, upon review of the pertinent documents related to the parcels of land and the investment, additional period is required to finalize the duediligence audit, to complete the appraisal report, and to implement the investment. In view thereof, on July 1, 2020, the Parties have agreed to further extend the following period in relation to the MOA:

1. An additional period of one hundred eighty (180) days from July 1, 2020 for the validation and verification of titles and the issuance of the appraised reports;
2. An additional period of two hundred ten (210) days from July 1, 2020 to execute the first (1st) tranche of the Investment; and
3. An additional period of two hundred forty (240) days from July 1, 2020 to execute the second (2nd) tranche of the Investment.

However, on December 28, 2020 the Parent Company and RYM decided to no longer pursue the transaction contemplated under the MOA due to the impact of the COVID-19 pandemic, the resulting prolonged community quarantine, and the effect thereof on real estate property businesses.

With the above investments, Management of the Parent Company assessed that the going concern assumption remains to be appropriate as the Parent Company continues to generate sufficient cash flows to sustain operations and complete its current and future plans.

As a result of the above, the Group had a consolidated net loss in 2021 amounting to ₱23,692,142.

<u>Subsidiaries</u>
The principal activities of the subsidiaries are as follows:

<u>SREDC</u>
SREDC's principal activity is in real estate and agriculture. The Parent Company owns 62.39% of the subsidiary. In 2019, the Parent Company provided for impairment loss on theinvestment amounting to ₱7,251,046. Additional impairment loss was provided in 2020 amounting to ₱ 32,549,775.

<u>WGVI</u>
WGVI was incorporated on June 22, 2012 with the primary purpose engaging in the business of renewable energy projects. WGVI has a capital deficiency amounting to ₱66,282,007 and ₱66,712,374 as at December 31, 2021 and 2020, respectively. It started its commercial operation in 2020.

On February 22, 2019, the BOD authorized the Parent Company to make an additional investment up to ₱100 million to finance the latter's "green" projects involving solar power and liquefied natural gas. As of December 31, 2021, the additional investment is not yet made.

On May 10, 2020, WGVI executed an International Distributorship Agreement ("Agreement") with Hanergy to be the latter's distributor of its solar products in the Philippines. The Agreement has a term of one (1) year, with an option to renewfor another year upon expiration of the original term. WGVI recognized ₱6,221,903 and ₱6,713,476 revenues from this agreement in 2021 and 2020, respectively.

On May 11, 2021, the agreement between Hanergy and WGVI expired. WGVI decided not to renew the Agreement and open up supply sourcing of its pending project from any solar panel suppliers which can offer the best technology at efficient cost, in light of the advancement in global solar technology and improved cost efficiency.

<u>TWMRSI</u>

TMWRSI is 51% owned by the Parent Company. It was incorporated primarily to engage in the business of waste management facility. In 2013, the Parent Company advanced ₱235,008,036 to TWMRSI, which was used to acquire machinery and equipment and steel structure for the latter's waste recycling project located in Valenzuela City and which was initially expected to be in full operation in 2014. However, as at December 31, 2021, TWMRSI has not started the assembly and installation of the parts as it is still finalizing the arrangement for the site where the project will be located. Consequently, in 2014, the Parent Company's investment was provided with full allowance as Management believed that investment is already impaired.

<u>ADHI</u>

ADHI, a wholly-owned subsidiary of the Parent Company, was incorporated on June 17, 2014 to operate as a holding company for the Parent Company's agricultural portfolio. ADHI has a capital deficiency amounting to ₱380,914 and ₱320,114 as at December 31, 2021 and 2020, respectively. In 2017, the Parent Company's investment was provided with full allowance as Management believed that it was already impaired. As at December 31, 2021,ADHI has not yet started its commercial operations.

<u>LSTI</u>

LSTI, a 51% owned subsidiary of the Parent Company, was registered with the SEC on August 14, 2014 to engage in the business of information and communications technology. LSTI has a capital deficiency amounting to ₱184,427 and ₱116,998 as at December 31, 2021 and 2020, respectively. In 2017, the Parent Company provided full allowance on the investment as Management believed that it was already impaired. As at December 31, 2021,LSTI has not yet started its commercial operations.

<u>YGPL</u>

On September 9, 2020, the Board of Directors approved the incorporation of YGPL under the laws of Australia, wherein the Parent Company shall hold fifty-one percent (51%) equity interest. The subscription price of AUS$51.00, paid in full, is based on the par value of the shares. This will expand the investment portfolio of the Parent Company to include biotechnology. YGPL is a proprietary company limited by shares. YGPL started its operations in the last quarter of 2020 and shall venture into biotechnology with primary focus on development and marketing of medicinal hemp globally.

<u>OBTRI</u>

OBTRI was incorporated and registered with the SEC on March 23, 2009. It is a domestic corporation engaged in the business of manufacturing and trading. Pursuant to the Subscription Agreement executed on February 23, 2021 between the Parent Company and OBTRI, the Parent Company shall hold 60% of the total issued and outstanding shares of OBTRI. As of reporting date, OBTRI has not yet started its commercial operations

Summarized financial information of the subsidiaries in 2021 and 2020 are as follows:

2021		**SREDC**	**WGVI**	**TWMRSI**	**ADHI**	**LSTI**	**YGPL**	**OBTRI**
Current assets	**₱**	**372,424,205 ₱**	**6,676,655 ₱**	**– ₱**	**98,475 ₱**	**266,170 ₱**	**3,355,965 ₱**	**2,812,500**
Noncurrent assets		**170,801,275**	**10,000,000**	**–**	**20,000,000**	**10,756,900**	**2,152,136**	**20,000,000**
Current liabilities		**18,264,188**	**82,958,662**	**233,945,768**	**20,479,389**	**11,207,497**	**5,357,737**	**20,226,447**
Noncurrent liabilities		**4,251,821**	**–**	**–**	**–**	**–**	**–**	**–**
Total equity (deficiency)		**520,709,471**	**(66,282,007)**	**(233,945,768)**	**(380,914)**	**(184,427)**	**150,364**	**2,586,053**
Revenue		**23,774,335**	**6,221,903**	**–**	**–**	**–**	**286,199**	**–**
Net income (loss)		**(6,953,561)**	**430,366**	**(67,430)**	**(60,800)**	**(67,429)**	**23,925**	**(106,257)**

2020		SREDC	WGVI	TWMRSI	ADHI	LSTI	YGPL	OBTRI
Current assets	₱	381,587,730 ₱	6,094,576 ₱	– ₱	91,845 ₱	266,170 ₱	128,622 ₱	–
Noncurrent assets		158,952,983	–	–	–	–	–	–
Current liabilities		18,018,719	72,806,950	233,878,338	411,959	383,168	–	–
Total equity (deficiency)		522,521,994	(66,712,374)	(233,878,338)	(320,114)	(116,998)	128,622	–
Revenue		2,758,807	6,713,476	–	–	–	–	–
Net income (loss)		(39,569,197)	50,104	(81,476)	(49,541)	(61,814)	125,086	–

Approval of consolidated financial statements
The consolidated financial statements as at and for the year ended December 31, 2021 and 2020 were approved and authorized for issue by the BOD on April 23, 2022.

2. Basis of Preparation

Basis of Preparation of Consolidated Financial Statements
The consolidated financial statements of the Group have been prepared on a historical cost basis except for certain financial instruments measured either at amortized cost or fair value, inventories carried at the lower of cost or net realizable value inventories carried at the lower of cost or net realizable value and biological asset measured at fair value.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with PFRS. PFRS includes the statements named PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by SEC.

Functional Currency
Items included in the consolidated financial statements of the Group are measured using the Philippine Peso (₱), the currency of the primary economic environment in which the Group operates (the "functional currency") and all values are rounded to the nearest peso except when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The respective functional currencies of the subsidiaries are presented in Note 1.

The Group chose to present its consolidated financial statements using the Group's functional currency.

Current and Non-current Presentation
The Group classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Group classifies all other assets as non-current.

The Group classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

Principles of Consolidation
The consolidated financial statements of the Group comprise the accounts of the Parent Company and its subsidiaries where the Parent Company has control.

Specifically, the Parent controls an investee if it has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Parent has less than a majority of the voting or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangement; and
- the Group's voting rights and potential voting rights.

The Parent re-assesses its control over an investee if facts and circumstances indicate that there are changes to one (1) or more of the three (3) elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated.

When the Parent loses control over a subsidiary, at the date when control is lost, it: (a) derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amount; (b) derecognizes the carrying amount of any noncontrolling interests including any components of other comprehensive income attributable to them; (c) recognizes the fair value of the consideration received; (d) recognizes the fair value of any investment retained in the former subsidiary at its fair value; (e) accounts for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the parent had directly disposed of the related assets and liabilities; and (f) recognizes any resulting difference as gain or loss in profit or loss attributable to the Parent.

The consolidated financial statements of the subsidiaries are prepared for the same reporting year as theGroup using consistent accounting policies. Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Non-controlling interests represent interests in certain subsidiaries not held by the Parent Company and are presented separately in the consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity attributable to the equityholders of Parent Company.

Noncontrolling interest represents the portion of profit or loss and the net assets not held bythe Group. Transactions with noncontrolling interest are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

3. Adoption of New and Revised Accounting Standards

The Philippine Financial Reporting Standards Council (FRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term "PFRS" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Group. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

<u>New and Revised PFRSs Applied with No Material Effect on the Consolidated Financial Statements</u>
The following new and revised PFRSs have been adopted in these consolidated financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PFRS 16*, COVID-19-related Rent Concessions*

  The following are the amendments to PFRS 16:

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

  The amendments are effective for annual reporting periods beginning on or after June 1, 2020.

<u>New and Revised PFRSs in Issue but Not Yet Effective</u>
The Group will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS, to have significant impact on the consolidated financial statements.

<u>*Standard Adopted by FRSC and Approved by the Board of Accountancy (BOA)*</u>

- Amendments to PFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021

  The following are the amendments to PFRS 16:

  - permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021);
  - require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021;

- require a lessee applying the amendment to do so retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
- specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.

The amendments are effective for annual reporting periods beginning on or after April 1, 2021, with earlier application permitted.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The following are the amendments in reference to the conceptual framework:

  - update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of 1989 Framework;
  - add to PFRS 3 a requirement that, for transactions and other events within the scope of PAS 37 or IFRIC 21, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and
  - add to PFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

  The amendments are effective for annual periods beginning on or after January 1, 2022, with earlier application permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds before Intended Use*

  The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

  The amendments are effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. An entity applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the consolidated financial statements in which the entity first applies the amendments.

- Amendments to PAS 37*, Onerous Contracts - 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 (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

- Annual Improvements to PFRS Standards 2018-2020 Cycle

  Amendments to PFRS 1, *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.

  Amendments to PFRS 9, *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.

  Amendments to PFRS 16, *Lease Incentives* - 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.

  Amendments to PAS 41, *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.

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments to PAS 1 are the following:

  - clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
  - clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
  - make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments defer the effective date of the January 2020 Classification of Liabilities as Current or Non-Current (Amendments to PAS 1) to annual reporting periods beginning on or after January 1, 2023. Earlier application of the January 2020 amendments continues to be permitted.

- Amendments to PAS 8, Definition of Accounting Estimates

  The definition of accounting estimates has been amended as follows: accounting estimates are "monetary amounts in consolidated financial statements that are subject to measurement uncertainty".

  The amendment also clarifies the following:

  - Entities develop accounting estimates if accounting policies require items in consolidated financial statements to be measured in a way that involves measurement uncertainty.

- A change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period., with earlier application permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative – Accounting Policies

  The amendments to PAS 1 are the following:

  - an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
  - several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

  The amendments also clarify the following:

  - accounting policy information may be material because of its nature, even if the related amounts are immaterial;
  - accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
  - if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

  In addition, PFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to PAS 1.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

- Amendment to PAS 12, "Deferred tax related to assets and liabilities arising from a single transaction"

  The amendments introduce an exception to the initial recognition exemption (IRE) in PAS 12. Additional exclusions have been added to the IRE, detailed in paragraphs 15(b)(iii) and 24(c) for deferred tax liabilities and assets respectively. The effects of these amendments essentially mean that the IRE is not available for transactions which involve the recognition of both an asset and liability – which in turn leads to equal and opposite temporary differences – such that deferred taxes are calculated and booked for both temporary differences, both at initial recognition and subsequently. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

The initial recognition exemption was initially included within PAS 12 to prevent a lack of reporting transparency for transactions which are not business combinations and, at the time of the transaction, do not affect either accounting or taxable profits. Under this exemption, deferred tax assets/liabilities would neither be recognized at initial recognition of the underlying asset/liability, nor subsequently.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, the amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognized as assets at the beginning of the earliest comparative period presented.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early application of the amendments is permitted.

- Amendment to PFRS 17, "Initial Application of PFRS 17 and PFRS 9—Comparative Information"

  The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore Improve the usefulness of comparative information for users of financial statements.

  PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2025.

- PFRS 17, *Insurance Contracts*

  PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

  PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Early application is permitted for entities that apply PFRS 9 Financial Instruments and PFRS 15 Revenue from Contracts with Customers on or before the date of initial application of PFRS 17.

  An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

  The amendments cover the following areas:

  - Insurance acquisition cash flows for renewals outside the contract boundary;
  - Reinsurance contracts held—onerous underlying insurance contracts;
  - Reinsurance contracts held—underlying insurance contracts with direct participation features; and

- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are affective to annual reporting periods beginning on or after January 1, 2025.

Deferred

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On January 13, 2016, the FRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Summary of Significant Accounting and Financial Reporting Policies

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value the Group takes into consideration the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. In addition, it assumes that the transaction takes place either: (a) in the principal market; or (b) in the absence of a principal market, in the most advantageous market.

The Group considers the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

A fair value measurement assumes that a financial or non-financial liability or an entity's own equity instruments (e.g. equity interests issued as consideration in a business combination) is transferred to a market participant at the measurement date. The transfer of a liability or an entity's own equity instrument assumes the following:

- A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.

- An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4.02 Segment Information

An operating segment is a component of the Group: (a) that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group; (b) whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and inter-segment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments, provided that ; (b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and (c) its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the consolidated financial statements.

For management purposes, the Group is currently organized into seven (7) segments namely as: Holding, Renewable Energy, Waste Management, Lease and Agri-Tourism, Information Technology, Professional, Scientific and Technical Services and Business of Manufacturing and Trading. These divisions are the basis on which the Group reports its primary segment information.

4.03 Financial Assets

4.03.01 Initial Recognition and Measurement

The Group recognizes a financial asset in its consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Group measures trade receivables that do not have a significant financing component at their transaction price.

4.03.02 Classification

- Financial Asset at Amortized Cost

  A financial asset shall be measured at amortized cost if both of the following conditions are met:

  - the financial asset is held within a business model whose objective is 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.

  The Group's financial assets measured at amortized cost include cash in banks, trade and other receivables (except advances to officers and employees) and due from related parties.

  a) Cash in Banks

  Cash in banks include cash deposits held at call with bank that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

  b) Trade and Other Receivables and Due from Related Parties

  Trade and other receivables and due from related parties are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of the foregoing receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

- Financial Asset at Fair Value through Other Comprehensive Income

  The Group makes an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value through other comprehensive income.

  The Group's financial assets measured at FVOCI pertains to equity securities.

The Group does not have financial assets measured at fair value through profit and loss in both years.

4.03.03 Reclassification

When, and only when, the Group changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with Note 4.03.02. If the Group reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date. The Group shall not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

4.03.04 Effective Interest Method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.03.05 Impairment

The Group measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group adopted the following approach in accounting for impairment.

- Simplified Approach

  The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

  - Significant financial difficulty of the counterparty;
  - A breach of contract, such as a default or past due event;
  - The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
  - It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

- General Approach

  The Group applies general approach to cash in banks, other receivables (except advances to officers and employees) and due from related parties. At each reporting date, the Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Group measures the loss allowance equal to 12-month expected credit losses.

  The Group compares the risk of default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, that is available without undue cost or effort, to determine whether there is a significant increase in credit risk or not since initial recognition.

  The Group determines that there has been a significant increase in credit risk when there is a significant decline in the factors. The Group assumes that the credit risk on cash in banks has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

  The Group did not apply the 30 days past due rebuttable presumption because based on the Group's historical experience, credit risk has not increased significantly even the amounts are past due for more than 30 days.

  If the Group has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Group shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

  The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Group performs the assessment of significant increases in credit risk on an individual basis by considering information that is indicative of significant increases in credit risk.

The Group did not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit impaired or not since based on the Group's historical experience past due amounts even over 90 days are still collectible.

The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.03.06 Derecognition

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows of the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.03.07 Write-off

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

4.04 Other Current Assets

4.04.01 Input VAT

Input VAT arises from the purchase of goods or services.

For regular sales, input VAT is applied against output VAT. The remaining balance is recoverable in future periods. This is carried at cost less allowance for impairment loss, if any. Impairment loss is recognized when input VAT can no longer be recovered.

For zero rated sales, input VAT is initially recorded as an asset and measured at the amount of cash paid. Subsequently, the Group may apply within two (2) years after the close of the taxable quarter when such sale was made for the tax refund of creditable input tax due or paid attributable to sales that are zero-rated or effectively zero-rated

4.04.02 Prepaid Tax

Prepaid tax arises from creditable withholding tax certificates obtained from the Group's customers and overpayment of income taxes in prior years. These are accumulated and are reduced when deducted from income tax payables.

4.05 Inventories

Inventories are stated at the lower of cost or net realizable value. Costs are determined using the first-in, first-out method (FIFO). Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Inventories are initially measured at cost which comprise of cost of purchase and cost incurred in bringing the asset at its present location and condition. Inventories are stated at cost. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the statements of comprehensive income.

The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.06 Interests in Joint Arrangement

A joint arrangement is a contractual arrangement whereby the Group and other parties have agreed sharing of control of an arrangement, which exist only when decisions about relevant activities require the unanimous consent of the parties sharing. The sharing of control is also known as joint control. A joint arrangement can either be a joint venture or a joint operation.

4.06.01 Joint Venture

A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group reports its interests in a joint venture using equity method, except when the investment is classified as held for sale, in which case it is accounted for in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations.*

The Group accounts the investment under the cost method. The Group recognizes as income the dividends received that are distributed from net accumulated earnings of the investee since the date of acquisition by the investor. Dividends received that are in excess of the earnings subsequent to the date of acquisition are not income and therefore considered as return or reduction of investment.

The requirements of PFRS 9 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with PAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4.07 Business Combination

The Group applies the standard on business combination under PFRS 3 as amended and adopted in 2009. The standard outlines the accounting when an acquirer obtains control of a business (e.g., acquisition or merger). Such business combinations are accounted for using the 'acquisition method", which generally requires assets acquired and liabilities assumed to be measured at their fair values at date of acquisition.

PFRS 3 seeks to enhance the relevance, reliability and comparability of information provided about business combinations (e.g. acquisition and mergers) and their effects. It sets out the principles on the recognition and measurement of acquired assets and liabilities, the determination of goodwill and the necessary disclosures.

In determining whether a transaction is a business combination, PFRS 3 provides additional guidance on determining whether a transaction meets the definition of a business combination and accounted for in accordance with its requirements. This guidance includes:

- Business combinations can occur in various ways such as by transferring cash, including liabilities, issuing equity instrument (or any combination thereof), or by not issuing consideration at all (i.e. by contract alone); and

- Business combinations can be structured in various ways to satisfy legal, taxation or other objectives, including one entity becoming a subsidiary of another, the transfer of net assets from one entity to another or to new entity;

The business combination must involve the acquisition of a business, which generally has three elements:

- Inputs – an economic resource (e.g., non-current assets, intellectual property) that creates outputs when one or more processes are applied to it;

- Process – a system standard, protocol, convention or rule that when applied to an input or inputs, creates outputs (e.g., strategic management, operational processes, resource management); and

- Output – the result of inputs and processes applied to those input.

4.07.01 Acquisition Method

In every acquisition of business, the Group determines the acquisition date, recognize and measures all identifiable assets acquired, the liabilities assumed and non-controlling interest (NCI, formerly called minority interest) in the acquiree, and determines if there is goodwill or gain from a bargain purchase if applicable.

The Group recognizes the acquisition date as the date on which the Group obtains control over the acquiree. Generally, this is the date on which the Group legally transfer the consideration, acquires the assets and assumes the liabilities of the acquiree – the closing date. However, the Group as the acquirer may obtain control on a date that is either earlier or later than the closing date depending on what was agreed upon with the acquiree.

In recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, the Group observes the definition of assets and liabilities in accordance with the Framework for the Preparation and Presentation of Consolidated Financial Statements at the acquisition date. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

On income taxes, the Group recognizes and measures a deferred tax asset or liability arising from the assets acquired and liabilities assumed in accordance with PAS 12 while the standard under PAS 19 is relied on for employee benefits.

The Group recognizes and measures goodwill in accordance with PFRS 3, as the difference between:

- Aggregate of (1) the value of the consideration transferred (generally at fair value), (2) the amount of any non-controlling interest in the acquiree, and (3) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, and

- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (measured in accordance with PFRS 3.

4.07.02 Consolidation

The consolidated financial statements include the financial statements of the Group and its subsidiaries.

The consolidated financial statements incorporate the financial statements of the Parent and the entities controlled by the Parent (its subsidiaries) up to December 31 of each year. Control is achieved when the Parent has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

Subsidiary is consolidated from the date when control is transferred to the Parent and ceases to be consolidated from the date when control is transferred out of the Parent.

4.07.03 Measurement

The assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e., discount on acquisition) is credited to the profit and loss in the period of acquisition.

4.07.04 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

4.07.05 Inter-group Balances

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the consolidated financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

4.07.06 Loss of Control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of controls is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost. Subsequently, it is accounted for as entity-accounted investee or as financial assets at FVTPL or FVOCI depending on the level of influence retained.

4.08 Investment Property

Investment property pertains to properties held for capital appreciation. These are initially recorded at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing property at the time the costs are incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of investment property. Subsequent to initial recognition, investment property is carried at cost less any impairment in value.

Investment property is derecognized when disposed of or when the investment property is permanently withdrawn from use and there is no future economic benefit expected to arise from the continued use of the properties. Any gain or loss on the retirement or disposal of said properties are recognized in the profit or loss in the year of retirement or disposal.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by: (a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property; (b) commencement of development with a view to sale, for a transfer from investment property to inventories; (c) end of owner occupation, for a transfer from owner-occupied property to investment property; or, (d) commencement of an operating lease to another party, for a transfer from inventories to investment property. Transfers to or from investment property are measured at the carrying value of the assets transferred.

4.09 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, except for bearer assets and construction-in-progress, property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses while bearer assets and construction-in-progress related to bearer assets are carried at revalued amount less accumulated depreciation and accumulated impairment losses.

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

Bearer assets and construction in progress are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional appraisers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such revalued assets is credited to the property's revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such revalued assets is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of those assets. Revaluation surplus is transferred directly to retained earnings as the asset is being used by the Group.

Land is not depreciated. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Building improvements	25 years
Land improvements	15 years
Transportation equipment and machinery	5 years
Furniture, fixtures and office equipment	5 years
Bearer assets	5 years

The property and equipment's residual values, useful lives and depreciation method are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Properties in the course of construction for operating purposes which pertains to immature bearer plants, are carried at revalued amount, less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Bearer assets are living plants that are used in the production or supply of agricultural produce over a several periods and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Depreciation on revalued assets is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.10 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally-generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

4.10.01 Goodwill

Goodwill represents the excess of the purchase consideration of an acquisition over the fair value of the Group's share of the net identifiable assets acquired at the date of acquisition. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that might be impaired, and is carried at cost less accumulated impairment losses, if any. Any impairment losses recognized for goodwill are not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. When the recoverable amount of cash-generating units is less than the carrying amount, an impairment loss is recognized. The Group performs its impairment testing at the reporting date using a value-in-use, discounted cash flow methodology.

4.10.02 Computer software

Computer software acquired separately are measured on initial recognition at cost. The initial cost of computer software consists of its purchase price, including import duties, taxes and any directly attributable cost of bringing the assets to its working condition and location for intended use. Subsequently, computer software is carried at cost less accumulated amortization and any accumulated impairment loss.

Acquired computer software is capitalized on the basis of costs incurred to acquire and bring to use the specific software. Computer software is amortized on a straight-line basis over its estimated useful life of five (5) years. Costs associated with the development or maintenance of software cost programs are recognized as expense when incurred in the Group's consolidated statements of profit or loss. Software cost 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 is included in the Group's consolidated statements of profit or loss in the year of derecognition.

4.11 Deposit for Land Acquisition

Deposit for land acquisition mainly represents cash payment to acquire land. This is initially recorded at the cash amount deposited and subsequently stated at cost, less impairment losses, if any.

4.12 Advances to Projects

Advances to projects pertains to unliquidated expenditures made for the processing fees in connection with the investment of the Group to a foreign company. This is initially stated at actual amount paid and subsequently recognized at cost less any impairment.

4.13 Advances for Waste Recovery Project

Advances for waste recovery project are initially recorded at cost and subsequently stated at cost less any impairment in value. The advances are mainly for the acquisitions of steel structures, machinery and equipment to be used for the construction of waste recycling facilities. The facilities will be transferred to property and equipment and shall be subject to depreciation and impairment upon their completion and put into operation.

4.14 Biological Assets

Biological assets or agricultural produce are recognized only when the Group controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the entity; and the fair value or cost of the assets can be measured reliably.

The Group measures its biological assets on initial recognition and at each reporting date at their fair value less estimated costs to sell. Estimated costs to sell include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, and transfer taxes and duties.

Harvested agricultural produce are also carried at fair value less estimated costs to sell at the point of harvest.

The Group classifies its biological assets between consumable and bearer biological assets. Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. The Group further classifies its bearer biological assets between mature or immature biological assets.

Gains or losses arising on initial recognition of a biological asset at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of a biological asset are included in profit or loss for the period in which they arise.

4.15 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that any assets other than inventories, biological assets, and financial assets that are within the scope of PFRS 9, *Financial Instruments* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

4.16 Financial Liabilities

4.16.01 Initial Recognition and Measurement

The Group shall recognize a financial liability in its consolidated statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

At initial recognition, the Group shall measure a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.16.02 Classification

The Group shall classify all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate;
- contingent consideration recognized by an acquirer in a business combination.

The Group's financial liabilities measured at amortized cost include trade and other payables (excluding government payables) and due to related parties.

The Group does not have financial liabilities at fair value through profit or loss in both years.

4.16.03 Derecognition

The Group removes a financial liability (or part of a financial liability) from its consolidated statement of financial position when, and only when, it is extinguished (i.e., when the obligation in the contract is discharged or cancelled or expires).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.16.04 Deposit for Future Stock Subscription

Deposit for future stock subscription is defined as a subscription agreement which, among other things, states that the Group is not contractually obliged to return the consideration received and that the Group is obliged to deliver fixed number of own shares of stock for a fixed amount of cash or property paid or to be paid by the contracting party.

Deposit for future stock subscription is classified as equity if all the conditions required for such recognition have been met as of the end of the reporting period otherwise, if not, classified as liability.

Deposit for future stock subscription is classified as equity when all of the following conditions are met as of the end of the reporting date:

- the unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

4.17 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity.

4.17.01 Additional Paid-in Capital

Additional paid-in capital represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued.

4.18 Employee Benefits

4.18.01 Short-term Benefits

The Group recognizes a liability, net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees includes salaries and wages and other employee benefits.

4.18.02 Post-employment Benefits

The Group does not have a formal retirement benefit plan. However, the Group will provide retirement benefits in compliance with Republic Act (RA) 7641. No actuarial computations were obtained during the year as the amount of provisions for retirement benefits will not materially affect the fair presentation of the consolidated financial statements considering that there were no qualified employees as of reporting date.

4.19 Provisions and Contingent Asset

4.19.01 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

4.19.02 Contingent Asset

Contingent asset is not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent asset is disclosed only when an inflow of economic benefits is probable.

4.20 Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Group and the revenue, related cost incurred or to be incurred/cost to complete the transactions can be reliably measured.

The Group recognizes revenue when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.20.01 Revenue Contracts with Customers

The Group recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group applies the following five steps:

1. Identify the contract(s) with a customer;
2. Identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct;
3. Determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer;
4. Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract;
5. Recognize revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognized as the performance obligation is satisfied.

The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is measured at the fair value of the consideration received or receivable taking into account anytrade discounts, prompt settlement of discounts and volume rebates allowed by the Group, if any. Revenue excludes any value added tax.

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

- Agri-tourism revenue is recognized when the related service is rendered.
- Sale of fruits and vegetables in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of trade discounts, if any.
- Sale of supplements is recognized at point in time when the control of the products has been transferred, that is when the products have been delivered to the buyer. Delivery does not occur until the products have been shipped to the specified location and the risks of obsolescence and loss have been transferred to the buyer.
- Sale of solar energy at point in time when the control of the products has been transferred, that is when the products have been delivered to the buyer. Delivery does not occur until the products have been shipped to the specified location and the risks of obsolescence and loss have been transferred to the buyer.
- Rental income from the Group's usufructuary rights at the Park is recognized under the operating lease method. Under this method, the aggregate rentals are reported as income in the statement of comprehensive income on a straight-line basis over the useful life of the lease. Related expenses, like taxes and maintenance, are charged to current operations as incurred.
- Gain on sale of asset is recognized when the sale transactions occur.
- Interest income, which is presented net of final taxes paid or withheld, is recognized as the interest accrues, taking into account the effective yield on the asset. Interest income from bank deposits is recognized on a time proportion basis on the principal outstanding and at the rate applicable.
- Realized gains and losses are recognized when the sale transaction occurs.
- Other income is recognized when earned or realized.

Performance Obligations Satisfied Over Time
The Group transfers control of a service over time and, therefore, satisfies a performance obligation and recognizes revenue over time if the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Revenue recognized over time encompasses revenue from rendering of services from agri-tourism.

Performance Obligations Satisfied at a Point in Time
The Group derives its revenue from sale of fruits and vegetable. The Group recognizes revenue at point in time, this is when:

- The *Group has a present right to payment for goods;*
- *The Group has transferred physical possession of the goods;*
- *The customer has accepted the goods; and*
- *The customer* has the significant risks and rewards of ownership of the asset.

Revenue recognized over time encompasses revenue from sales of solar energy, fruits, vegetables and supplements.

4.21 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Group.

The Group recognizes expenses in the consolidated statement of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.21.01 Cost and Expense Recognition

Cost of sales is recognized when goods are sold upon delivery to buyers and as cost of services are incurred. Operating and other expenses which include expenses that are related to administering and operating the business are expensed upon utilization of the service or at the date they are incurred. Interest and similar expenses are reported on accrual basis.

4.22 Leases

4.22.01 The Group as Lessor

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

4.23 Foreign Currency Transactions and Translation

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency, i.e., foreign currencies, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognized in profit or loss in the period in which they arise except for exchange differences arising on non-monetary assets and liabilities where the gains and losses of such non-monetary items are recognized directly in equity.

Assets and liabilities from foreign operation are translated at exchange rates at the end of the reporting period. Exchange differences are recognized initially in OCI and reclassified from equity to profit or loss on disposal of the net investment. On the other hand, income and expenses for each consolidated statement presenting profit or loss and OCI are translated at the average exchange rate for the period. All the resulting exchange differences are recognized in the OCI.

4.24 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Group that is preparing its consolidated financial statements. A person or a close member of that person's family is related to Group if that person has control or joint control over the Group, has significant influence over the Group, or is a member of the key management personnel of the Group or of a parent of the Group.

An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same group (which means that a parent, subsidiary and fellow subsidiary are related parties to each other); or
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
- Both entities are joint ventures of the same third party; or
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
- The entity holds a post-employment benefit plan for the benefit of the employees of either the Group or an entity related to the Group; or
- The entity is controlled or jointly controlled by a person identified above; or
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of an entity); or
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.25 Taxation

Income tax expense represents the sum of current and deferred taxes.

4.25.01 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax for the current and prior periods is recognized as a liability to the extent that it has not been settled, and as an asset to the extent that the amounts already paid exceeds the amount due.

4.25.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred tax asset however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognized for all taxable temporary differences except in three cases as follows:

- Liabilities arising from the initial recognition of goodwill;
- Liabilities arising from the initial recognition of asset/liability other than in a business combination which, at the time of the transaction, does not affect either the accounting profit or the taxable profit;
- Liabilities arising from temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, but only to the extent that the entity is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.25.03 Current and Deferred Tax for the Period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in OCI or directly in equity, in which case the tax is also recognized outside profit or loss.

4.25.04 Impact of Change in Tax Regime

Components of tax expense include any adjustments recognized in the period for current tax of prior period and the amount of deferred tax expense (income) relating to changes in tax rates. The provision for current income tax during the year include the difference between income tax per prior year consolidated financial statements and prior year income tax return.

Deferred tax assets and liabilities as of reporting period is remeasured using the new tax rates. The impact of remeasurement is recognized in profit or loss (i.e., provision for/benefit from deferred income tax), unless it can be recognized in other comprehensive income or another equity account.

4.26 Earnings per Share

The Group computes its basic earnings per share by dividing net income or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

4.27 Events after the Reporting Period

The Group identifies subsequent events as events that occurred after the reporting date but before the date when the consolidated financial statements were authorized for issue. Any subsequent events that provide additional information about the Group’s position at the reporting period, adjusting events, are reflected in the consolidated financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to consolidated financial statements when material.

4.28 Changes in Accounting Policies

The adoption of the new and revised standards and as disclosed in Note 3 was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *“Accounting Policies, Changes in Accounting Estimates and Errors”.*

5. Significant Accounting Judgments and Estimates

The preparation of the Group’s consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying consolidated financial statements are based upon management’s evaluation of relevant facts and circumstances as at date of the consolidated financial statements. Actual results could differ from such estimates, and suchestimates will be adjusted accordingly.

The following is a summary of these significant estimates and judgments and the related impact and associated risks on the consolidated financial statements.

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

- *Determination of Control*
  The Group determines control when it is exposed, or has rights, to variable returns fromits involvement with an entity and has the ability to affect those returns through its powerover the equity. The Group regularly reassesses whether its control over an investee in facts and circumstances indicate that there are changes to one (1) or more of the three (3) elements of control as discussed in Note 2. The Group determined that it exercises controlon all of its subsidiaries as it has all the elements of control listed above.

  The Group assessed that it has control over its subsidiaries since it has the power over the latter, exposure of rights to variable return from its involvement and ability to use its power to affect the component returns.

- *Functional Currency*
  PAS 21 requires Management to use its judgment to determine the Group's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the Group. In making this judgment, the Group considers the following:

  - the currency that mainly influences sales prices for financial instruments and services (this will often be the currency in which sales prices for its financial instruments and services are denominated and settled);
  - the currency in which funds from financing activities are generated; and
  - the currency in which receipts from operating activities are usually retained.

  Functional currency is the currency of the primary economic environment in which the Group operates. The Group has determined that its functional currency is the Philippine Peso. The Group's functional currency is evidenced by its costs of labor, and other costs of providing services and majority of its remittance transactions are settled in Philippine Peso.

  The Group determined its functional currency to be Philippine peso being the currency of the primary economic environment in which the Group operates. It is the currency that mainly influences the sale of real properties, services, and investments and the costs of providing the services and of the sold investments.

- *Classification of Financial Instruments and Measurement Criteria*
  The Group classifies financial assets at initial recognition depends on the financial assets contractual cash flows characteristics of the Group's business model for managing them. The Group determines the classification at initial recognition and reevaluates this designation at every reporting date.

  Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with the basic lending arrangement. As of December 31, 2021 and 2020, the aggregate carrying amount of the Group's financial assets measured at amortized cost amounted to ₱877,715,413 and ₱949,184,894, respectively (see Note 31).

- *Assessment of Classification of Lease as a Lessor*
  The Group determines whether a lease qualifies as an operating lease. In making its judgments, the Group considers whether the risk and reward of the leased property will be transferred to the lessee. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract. Management assessed that the lease is an operating lease.

  The lease contract has an option to cancel and the lessee is likely to exercise such an option. It is not probable that the risk and rewards will be transferred to the lease at the end of the lease term. The lessee can be canceled without payment of significant amount in the form of penalty for the cancelation.

  Accordingly, the rental income from operating lease recognized amounted to nil and ₱434,838 and ₱395,307 in 2021, 2020 and 2019, respectively, as disclosed in Notes 22.

- *Assessment of Joint Control*
  Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. An entity has a control when it is exposed, or has rights to variable returns from involvement with the arrangement and has the ability to affect those returns through their power over the arrangement.

  In both years, Management assessed that the contractual arrangement with a third party and the landowners he represents gives both parties joint control since decision about the relevant activities requires the unanimous consent of both parties sharing control.

  The carrying value of investment in a joint venture amounted to ₱8,600,000 as of December 31, 2021 and 2020 as disclosed in Note 10.

- *Classification of Joint Arrangement as a Joint Venture*
  The joint arrangement is classified into joint operations and joint ventures. The joint operations are a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement while the joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The joint arrangement agreed by the Group and a third party and the landowners he represents was mutually classified by both parties as a joint venture.

  Management believes that a joint venture arrangement will maintain the parties' rights to net assets.

- *Assessment of 30 days Rebuttable Presumption*
  The Group determines when a significant increase in credit risk occurs on its financial assets based on its credit management practice.

  Management believes that the 30 days rebuttable presumption on determining whether there is a significant increase in credit risk in financial assets is not applicable because based on the Group's historical experience, credit risk has not increased significantly even the amounts are past due for more than 30 days.

- *Assessment of 90 days Rebuttable Presumption*
  The Group determines when a default occurs on its financial assets based on its credit management practice.

  Management believes that the 90 days rebuttable presumption on determining whether financial assets are credit impaired is not applicable since based on the Group's historical experience past due amounts even over 90 days are still collectible.

- *Assessment of Timing of Satisfaction of Performance Obligations*
  The Group satisfies a performance obligation by transferring control of a promised good to the customer, which could occur over time or at a point in time.

  Management assessed that the performance obligation is satisfied over time for its revenue from agri-tourism because the clients simultaneously receive and consume the benefits provided by the Group's performance as the Group performs. While, performance obligation is satisfied in point in time for its sales of fruits and vegetables, this is when there is a present right to payments of goods transfer of physical possession of goods and acceptance of the same by its customers and transfer of significant risks and rewards of the goods.

  In 2021, 2020 and 2019 agri-tourism revenue amounted to ₱6,017,896, ₱161,801 and ₱669,030, respectively, while revenue from sale of solar energy, fruits, vegetables and supplements amounted to ₱24,264,541, ₱9,231,111 and ₱976,573, respectively, as disclosed in Notes 22.

- *Assessment of the Allocation of Transaction Price to Performance Obligations*
  A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

  Management assessed that allocation of transaction price to performance obligation is not applicable since obligation from sale of goods is distinct and performed separately from services.

  The performance obligation of the Group is satisfied at a point in time when the control of the products has been transferred, that is when the products have been delivered to the buyer. Delivery does not occur until the products have been shipped to the specifiedlocation and the risks of loss have been transferred to the buyer.

  In 2021, 2020 and 2019, the Group earned a total revenue from sale of solar energy, fruits, vegetables and supplements amounting to ₱24,264,541, ₱9,231,111 and ₱976,573 respectively, while total revenue from rendering of services from agri-tourism amounted to ₱6,017,896, ₱161,801 and ₱669,030, respectively, as disclosed in Note 22.

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

- *Estimation of Allowance for Expected Credit Losses of Financial Assets*
  The Group applies general approach for determining the expected credit losses of cash in banks, trade and other receivables (except advances to officers and employees) and due from related parties. A credit loss is the differencebetween the cash flows that are expected to be received, discounted at the original effective interest rate and contractual cash flows in accordance with the contract. The loss allowance for financial assets is based on the assumptions about risk of default and expected loss rates. In addition, management's assessment of the credit risk on the financial assets as at the reporting date is high.

  Accordingly, additional allowance for expected credit losses of due from related parties were provided in 2021 and 2020 amounting to nil and ₱8,663,207, respectively, as disclosed in Note 20. Provision for expected credit losses of nontrade receivables amounting to nil and ₱328,845 were recognized in 2021 and 2020, respectively, as disclosed in Note 7.

The Group's allowance for expected credit losses on financial assets amounted to nil and ₱83,903,214 million as at December 31, 2021 and 2020, respectively (see Notes 7 and 19).

As of December 31, 2021 and 2020, the carrying values of the Group's financial assets carried at amortized cost amounted to ₱877,715,413 and ₱949,184,894, respectively (see Note 31).

- *Estimation of Net Realizable Value of Inventories*
  Net realizable values of inventories are assessed regularly based on the prevailing selling prices of inventories less estimated costs to sell. The Group recognizes expense and provides allowance for decline in value of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes on price levels or other causes. Inventory items identified to be obsolete and unusable is written off and charged against allowance account.

  Management believes that the net realizable values of inventories approximate their costs in both years. As of December 31, 2021 and 2020, the carrying amounts of inventories amounted to ₱2,019,783 and nil, respectively, as disclosed in Note 8.

- *Estimation of Impairment of Nonfinancial Assets*
  The Group reviews its nonfinancial assets included in advances to officers and employees, other current assets, deposits for land acquisition, advances for waste recovery project, property and equipment, intangible assets, investment properties and advances to project for impairment of value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset,plans in the real estate projects, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. As described in the accounting policy, the Group estimates the recoverable amount as the higher of the net selling price and value in use. In determiningthe present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect its nonfinancial assets included in advances to officers and employees,other current assets, deposits for land acquisition, advances for waste recovery project, property and equipment, intangible assets, investment properties and advances to project.

  The Group's allowance for impairment loss for nonfinancial assets follow:

	2021	2020
Advances for waste recovery project (Note 12)	**₱235,008,036**	₱235,008,036
Input VAT (Note 9)	**9,397,881**	9,381,384
Investment properties (Note 15)	**-**	737,095
Total	**₱244,405,917**	₱245,126,515

  In 2021, 2020 and 2019, allowance for impairment is recognized for input VAT amounting to ₱16,496, ₱9,381,384 and nil, respectively, as disclosed in Note 9. Impaired input VAT amounting to ₱6,630, ₱22,208 and ₱28,656 in 2021, 2020 and 2019, respectively were written off, as disclosed in Note 9. Previously impaired input VAT amounting ₱15,771 was reversed in 2020.

  In 2021, Management assessed that no indicators of impairment had existed on advances to officers and employees, other current assets (except input VAT), deposits for land acquisition, property and equipment, intangible assets, investment properties and advances to project. In 2020, Management assessed that no indicators of impairment had existed on advances to officers and employees,other current assets (except input VAT), deposits for land acquisition, property and equipment and intangible assets.

As of December 31, 2021 and 2020, the aggregate carrying amounts of advances to officers and employees, other current assets, deposits for land acquisition, advances for waste recovery project, property and equipment, intangible assets and investment properties amounted to ₱229,755,931 and ₱167,578,985, respectively, as disclosed in Notes 7, 9, 10, 12, 13, 14, 15 and 17.

- *Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment and Investment Properties*
  The residual values, useful lives and depreciation method of the Group's property and equipment and investment properties are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Group's assets are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of an asset, the Group considers the expected usage, expected physical wear and tear. In addition, the estimation of the useful lives is based on Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment and investment properties would increase the recognized expenses and decrease non-current assets. The Group uses a depreciation method that reflects the pattern in which it expects to consume the asset's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Group expects to consume an asset's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern.

  In both years, Management assessed that there is no indication of change from previous estimates since the most recent annual reporting period. As of December 31, 2021 and 2020, the aggregate carrying amounts of depreciable investment properties and property and equipment amounted to ₱82,094,246 and ₱83,951,707, respectively, as disclosed in Notes 13 and 15.

- *Fair Value of Biological Assets*
  The Group has adopted the fair value approach in determining the carrying value of its biological assets. The Group determines its fair value based on recent prices of similar assets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair value for any period would differ if the Group made different judgments and estimates or utilized different basis for determining fair value.

  The fair value of biological assets was derived using the market approach. As of December 31, 2021 and 2020, the fair value of biological assets amounted to ₱14,513,155 and nil, respectively, as disclosed in Note 16.

- *Fair Value of Property and Equipment*

  The valuation has been carried out using the Market Data Approach. In general, a property being valued (a subject property) is compared with sales of similar properties that have been transacted in the market. Listings and offerings may also be considered.

  As of December 31, 2021 and 2020, the carrying amounts of property and equipment at revalued amount are ₱12,834,158 and nil, respectively, as disclosed in Note 13.

- *Reviewing Residual Value, Useful Life and Amortization Method of Intangible Assets*
  The residual value, useful life and amortization method of the Group's intangible assets are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; technological advancement; and changes in market prices since the most recent annual reporting date. Amortization begins when the intangible asset is available for use, i.e., when it is in the location and condition necessary for it to be usable in the manner intended by Management. Amortization ceases when the intangible asset is derecognized. The Group uses a straight-line method of amortization since it cannot determine reliably the pattern in which it expects to consume the intangible asset's future economic benefits.

  In both years, Management assessed that there are no indications that there has been any change in pattern used by the Group in consuming its intangible assets' future economic benefits. As of December 31, 2021 and 2020, the carrying amounts of the intangible assets are ₱2,522,819 and nil, respectively, as disclosed in Note 14.

- *Estimation of Impairment of Goodwill*
  The Group reviews the carrying value of goodwill for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. Assessments require the use of estimates and assumptions such as market evaluation and trends, discount rates, future capital requirements and operating performance. If the recoverable amount of the unit exceeds the carrying amount of the goodwill, the goodwill shall be regarded as not impaired.

  No provision for impairment of goodwill was recognized in 2021 and 2020.

- *Non-recognition of Deferred Tax Asset*
  The Group reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized prior to its expiration.

  Management believes that the Group will not generate taxable profit to allow its deferred tax asset to be utilized prior to its expiration. As of December 31, 2021 and 2020, the Group's unrecognized deferred tax asset amounted to ₱22,130,997 and ₱27,803,814, respectively, as disclosed in Note 26.

- *Contingencies*
  The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's consolidated financial statements (see Note 39).

- *Estimation of Retirement Liability*
  Management has reviewed its obligation for retirement benefit cost in view of the requirements under Republic Act (RA 7641). Management has assessed that current employee have not meet the minimum requirements under RA 7641 to be eligible for retirement benefits. Accordingly, no provision for retirement benefit cost is recognized in the consolidated financial statements as at December 31, 2021 and 2020. Management however will continue to have a yearly assessment of its obligations, if any, to pay retirement benefit costs.

6. Cash

This account consists of:

	2021	2020
Cash on hand	**₱1,050,000**	₱1,550,000
Cash in banks	**2,124,413**	1,234,168
	₱3,174,413	₱2,784,168

In 2021, cash on hand amounting to ₱1,000,000 represents cash to be used for new business projects. In 2020, cash on hand amounting to ₱1,550,000 represents undeposited collection of capital stock subscriptions.

Cash in banks generally earn interest based on prevailing respective bank deposit rates of less than 1% annually.

Interest income on cash in banks recognized in profit or loss in the Group's consolidated statements of comprehensive loss amounted to ₱1,234, ₱1,827 and ₱28,917 in 2021, 2020 and 2019, respectively.

Cash in banks denominated in foreign currency with Peso equivalents are as follows:

	Foreign currency	Peso
2021	**US$1,814**	**₱92,123**
	EU500	**28,756**
2020	US$2,498	₱119,986
	EU500	29,345

The above balances were translated using the prevailing exchange rates as of December 31, 2021 and 2020:

	2021	2020
US Dollar	**50.774**	48.036
Euro	**57.512**	58.690

Foreign exchange gain amounted to ₱3,086 in 2021 while foreign exchange loss amounted to ₱1,820 and ₱3,931 in 2020 and 2019, respectively.

7. Trade and Other Receivables - net

This account consists of:

	2021	2020
Trade receivables	**₱622,190**	₱ -
Nontrade receivables	**252,168,352**	₱252,168,352
Advances to officers and employees	**32,210**	6,210
	252,822,752	252,174,562
Allowance for impairment loss:		
Nontrade receivables	**(328,845)**	(328,845)
	₱252,493,907	₱251,845,717

Trade receivables are noninterest-bearing and are usually settled within 90 days, which consists of individually significant accounts that management believes to be collectible.

Nontrade receivables include an unsecured, collectible on demand and noninterest-bearing receivable from ThomasLloyd Cleantech Infrastructure Fund GmbH (TLCIF) amounting to ₱250,118,737, which was subsequently assigned by TLCIF to Zongshan Fucang Trade Co. Ltd. (ZFTC) on December 29, 2014, subject to the consent of the Parent Company. Non-trade receivable also includes rent receivable (see Note 22).

The Parent Company agreed to the assignment of receivables to ZFTC under the following terms and conditions:

a. ZFTC shall pay the nontrade receivables on or before December 31, 2016 in cash and non-cash assets acceptable to the Parent Company; and
b. If the nontrade receivables will be paid with non-cash assets, the appraised value thereof shall be determined by an independent appraiser mutually acceptable to ZFTC and the Parent Company.

In 2019, the Parent Company and ZFTC agreed to convert these receivables into an investment with a particular interest. As at December 31, 2021, conversion is still in process.

Advances to officers and employees are unsecured and noninterest-bearing made for various business-related expenses which are subject to liquidation on demand.

Aging of trade receivables that are past due but not yet impaired is more than 90 days which amounted to ₱622,190 and nil in 2021 and 2020, respectively.

The movement of allowance for impairment losses is shown below:

	2021	2020	2019
Balance at beginning of year	**₱328,845**	₱4,733,006	₱1,285,933
Reversal of provision	**–**	(4,733,006)	–
Provision	**–**	328,845	3,447,073
Balance at end of year	**₱328,845**	₱328,845	₱4,733,006

In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. Accordingly, the Company believes that there is no further credit provision required in excess of the allowance for expected credit losses.

All receivables are unsecured and noninterest bearing.

8. Inventories

This account pertains to goods for sale amounting to ₱2,019,783 and nil as of December 31, 2021 and 2020, respectively.

The cost of inventories recognized as an expense amounted to P141,840, nil and nil, 2021, 2020 and 2019, respectively, as disclosed in Note 23.

The inventories are expected to be realized within twelve (12) months from the reporting date.

9. **Other Current Assets** - net

This account consists of:

	2021	2020
Input VAT	**₱9,627,979**	₱9,381,384
Formation cost	**13,780**	-
Prepaid tax	**-**	19,790
	9,641,759	9,401,174
Less allowance for impairment on input VAT	**(9,397,881)**	(9,381,384)
	₱243,878	₱19,790

In 2021, 2020 and 2019, provision for allowance for impairment is recognized for input VAT amounting to ₱16,496, ₱9,381,384 and nil, respectively. Impaired input VAT amounting to ₱6,630, ₱22,208 and P28,656 in 2021, 2020 and 2019, respectively were written off. Previously impaired input VAT amounting ₱15,771 was reversed in 2020.

10. Deposits for Land Acquisition

On January 18, 2013, the Group, through SREDC, entered into an agreement (the "Agreement") with Mr. Laureano R. Gregorio Jr. ("Mr. Gregorio"), a third party, for the transfer of all the rights, titles and interest over a 150-hectare land in Rosario, Batangas, which is currently the site of the Park. The initial total consideration was ₱400,000,000 to be settled based on the deliverables of Mr. Gregorio. The consideration shall be adjusted depending on the fair market value of the Park as may be determined by a mutually acceptable appraisal company.

A partial payment consisting of ₱6,000,000 paid on January 28, 2013 and ₱5,000,000 on July 2, 2014, recognized as deposit for land acquisition, was made. Pending the delivery of the documents and titles evidencing the real and enforceable rights over the Park which shall be delivered within two (2) years from the date of agreement, SREDC was granted usufructuary rights over the property. The parties may, however, agree to extend the period as the circumstances may warrant.

The fair value of the Park as at February 8, 2013 is ₱446,073,000 which is based on the appraised value made by an independent appraiser as stated in its appraisal report dated February 20, 2013. On March 19, 2013, SREDC and Mr. Gregorio agreed to change the total consideration from its initial consideration of ₱400,000,000 to ₱446,073,000 based on the appraised value.

The details of the appraised value are as follows:

Land (150 hectares at ₱1.8 million per hectare or ₱180 per sq. m.)	₱270,000,000
Buildings	75,823,000
Other land improvements	100,250,000
	₱446,073,000

On February 16, 2013, the Board of SREDC approved the proposed budget for the development of the Park, which included the construction and operation of at most sixty (60) greenhouses for high value crops and a twenty (20) - hectare asparagus farm. In connection with this, the BOD approved to advance ₱200,000,000 to one of SREDC's stockholders to be adjusted as may be deemed appropriate.

The advances made by SREDC to its stockholder totaling ₱446.1 million in 2014 were made subject to liquidation for the following purposes (see Note 19):

a. To cover the post-dated checks issued by the stockholder as payment to Mr. Gregorio for the Park pursuant to the Agreement.
b. To pay for the improvements that will be acquired and introduced on the Park.
c. To pay for the day-to-day operations of the Park.

On December 10, 2014, the Agreement between Mr. Gregorio and the SREDC was extended for another three (3) years or until January 17, 2018. No liquidation was made until January 17, 2018. To allow Mr. Gregorio more time to meet the conditions of the Agreement, on January 5, 2018, the Agreement was extended for another five (5) years from January 17, 2018 or until January 16, 2023.

Moreover, the parties agreed to defer the encashment of the post–dated checks issued as payment for the Park since the payments are dependent on the fulfillment of the conditions of contract. In 2015, the stockholder paid for the improvements made in the Park, including the construction of thirty (30) greenhouses with an estimated cost of ₱10,500,000.

Rent income from usufructuary rights amounted to nil, ₱434,838 and ₱395,307 in 2021, 2020 and 2019, respectively (see Note 22).

In 2019, land costing ₱63,360,000 was acquired through liquidation of advances made to stockholder (see Note 13). There are no liquidations in 2021 and 2020.

On February 22, 2019, the Parent Company was authorized to enter in a joint venture agreement with a third party and the landowners he represents, for the acquisition of land and/or real estate development, including but not limited to a transport hub. Accordingly, the Parent Company made a deposit amounting to ₱4,600,000 in 2018. In September 2019, the Parent Company made an additional investment amounting to ₱4,000,000. As of December 31, 2021 and 2020, deposit for land acquisition related to the joint venture amounted to ₱8,600,000.

As of December 31, 2021 and 2020, carrying amount of deposit for land acquisition amounted to ₱19,600,000.

11. Financial Assets at FVOCI

The roll forward analysis of this accounts is shown below:

	2021	2020
Balance at beginning of year	**P1,458,373,432**	₱2,461,005,166
Additions during the year	**190,124,414**	1,644,663
Disposal during the year	–	(1,644,663)
Fair value loss during the year	**(574,160,487)**	(1,002,631,734)
Balance at end of year	**₱1,074,337,359**	₱1,458,373,432

Financial assets at FVOCI pertain to investment in shares of stocks of AgriNurture, Inc. (ANI), a former associate. The fair value of this investment amounted to ₱1,074,337,359 at P4.98 per share as at December 31, 2021 and ₱1,458,373,432 at P8 per share as at December 31, 2020 based on the quoted price published by the PSE.

In 2020, the Group invested in Mabuhay Holdings Corporation amounting to ₱1,644,663. In the same year, the Group sold the said investment at ₱1,731,241 which resulted to a gain of ₱86,578.

In 2018, investment in shares of stocks with carrying value of ₱1,970,000 as at December 31, 2018 which represent quoted equity investments of a 62.39% owned subsidiary acquired in 2014 was sold in 2019 for ₱2,190,000, recognizing a gain amounting to ₱220,000.

On December 27, 2018, ANI increased its authorized capital stock from 1,000,000,000 common shares with par value of ₱1.00 per share to 1,900,000,000 common shares with par value of ₱1.00 per share. The Parent Company waived its right to subscribe additional shares. As a result, the Parent Company's ownership to ANI's was reduced to 17.90% consisting of 182,296,679 common shares. Accordingly, the investment was reclassified to financial assets at FVOCI in 2018.

Details of additions by way of reclassification in 2018 is shown below:

Carrying value at date of deemed disposal	₱485,506,276
Gain on reclassification of investment in associate to financial assets at FVOCI	2,613,537,267
Balance at end of year – as financial assets at FVOCI	₱3,099,043,543

Rollforward analysis of fair market value of this investment, which is shown as "Cumulative fair value loss on financial assets at FVOCI" in the equity section of the consolidated statements of financial position is shown below:

	2021	2020
Balance at beginning of year	**(₱1,640,670,111)**	(₱638,038,377)
Fair value loss during the year	**(574,160,487)**	(1,002,631,734)
Balance at end of year	**(₱2,214,830,598)**	(₱1,640,670,111)

There are no financial assets at FVOCI that are pledged as securities for liabilities.

12. Advances for Waste Recovery Project

Advances for waste recovery project amounting to ₱235,008,036 as at December 31, 2013 represents TWMRSI's machinery and equipment and steel structures for the construction of a wet process recovery system for solid waste (the "Facility"). These are currently stored for free in a warehouse owned by a director of the TWMRSI located in Valenzuela City. TWMRSI has not started the assembly and installation of the parts as it is still finalizing the arrangement for the site where the project site will be located.

On April 20, 2015, TWMRSI engaged the services of a third party to appraise the market value of the facility. The facility was appraised at ₱113,759,000. However, Management believed that the cost of advances for the Facility may no longer be recovered. Accordingly, a full impairment provision was made in 2014.

13. **Property and Equipment** – net

The total carrying amounts of the Group's property and equipment are as follows:

	2021	2020
At cost (Note 13.01)	**₱126,203,806**	₱141,632,520
At revalued amounts (Note 13.02)	**12,834,158**	–
	₱139,037,964	₱141,632,520

13.01 At Cost

The carrying amounts of the following property and equipment that are carried at cost are as follows:

	2021					
	Land	**Land improvements**	**Building improvements**	**Transportation equipment and machinery**	**Furniture, fixtures and office equipment**	**Total**
Cost:						
Balance at beginning of year	**₱64,001,278**	**₱55,720,907**	**₱45,515,296**	**₱13,529,242**	**₱159,119**	**₱178,925,842**
Additions	**–**	**–**	**–**	**381,560**	**876,384**	**1,257,944**
Balance at end of year	**64,001,278**	**55,720,907**	**45,515,296**	**13,910,802**	**1,035,503**	**180,183,786**
Accumulated depreciation and amortization:						
Balance at beginning of year	**–**	**11,436,783**	**18,303,112**	**9,007,161**	**159,119**	**38,906,175**
Depreciation and amortization	**–**	**4,643,409**	**7,624,236**	**2,768,415**	**37,745**	**15,073,805**
Balance at end of year	**–**	**16,080,192**	**25,927,348**	**11,775,576**	**196,864**	**53,979,980**
Net carrying value	**₱64,001,278**	**₱39,640,715**	**₱19,587,948**	**₱2,135,226**	**₱838,639**	**₱126,203,806**

	2020						
	Land	Land improvements	Building improvements	Transportation equipment and machinery	Furniture, fixtures and office equipment	Bearer assets	Total
Cost:	₱64,001,278	₱55,720,907	₱45,515,296	₱13,529,242	₱159,119	₱4,032,131	₱182,957,973
Accumulated depreciation and amortization:							
Balance at beginning of year	–	7,722,056	12,203,726	6,741,783	159,119	1,612,852	28,439,536
Depreciation and amortization	–	3,714,727	6,099,386	2,265,378	–	806,426	12,885,917
Balance at end of year	–	11,436,783	18,303,112	9,007,161	159,119	2,419,278	41,325,453
Net carrying value	₱64,001,278	₱44,284,124	₱27,212,184	₱4,522,081	₱–	₱1,612,853	₱141,632,520

13.02 At Revalued Amount

The carrying amounts of the following property and equipment that are carried at revalued amount are as follows:

	2021		
	Bearer assets	**Construction-in-Progress**	**Total**
Cost:			
Balance at beginning of year	**₱4,032,131**	**₱–**	**₱4,032,131**
Additions	**5,462,200**	**284,600**	**5,746,800**
Disposal of asset	**(2,043,550)**	**–**	**(2,043,550)**
Balance at end of year	**7,450,781**	**284,600**	**7,735,381**
Accumulated depreciation and amortization:			
Balance at beginning of year	**2,419,278**	**–**	**2,419,278**
Depreciation and amortization	**562,792**	**–**	**562,792**
Disposal of asset	**(1,226,130)**	**–**	**(1,226,130)**
Balance at end of year	**1,755,940**	**–**	**1,755,940**
Revaluation surplus:			
Gain on revaluation (Note 21)	**6,826,592**	**28,125**	**6,854,717**
Balance at end of year	**6,826,592**	**28,125**	**6,854,717**
Net carrying value	**₱12,521,433**	**₱312,725**	**₱12,834,158**

Depreciation is allocated as follows:

	2021	2020	2019
Cost of sales (Note 23)	**₱4,873,045**	₱4,147,956	₱4,154,906
General and administrative expenses (Note 24)	**10,763,552**	8,737,961	8,722,887
	₱15,636,597	₱12,885,917	₱12,877,793

Additions in 2021 and 2020 were all paid in cash. In 2019 all additions were paid in cash except for a land acquired through liquidation of the advances made to stockholder as disclosed in Note 10.

Fully depreciated assets with original cost amounting to ₱2,454,419 are still being used in operations.

In 2021, the Group disposed some of its property and equipment with a carrying value of ₱817,420 resulting to a loss of the same amount (see Note 24).

Construction in progress pertains to immature bearer plants.

There were no changes in the useful lives of property and equipment in 2021 and 2020.

The Group's management had reviewed the carrying values of the property and equipment as at December 31, 2021 and 2020 for any impairment. Based on the evaluation, there are no indications that the property and equipment might be significantly impaired.

Also, there are no contractual commitments to purchase property and equipment and no property and equipment that are pledged as securities for liabilities. Further, there is no property whose title is restricted from use of the Group as at December 31, 2021 and 2020.

If the property, plant and equipment carried at revalued amounts were measured using cost model, its cost and carrying amount would have been the following:

	2021	2020
Bearer assets	**₱1,755,940**	₱1,612,853
Construction in progress	**284,600**	–
	₱2,040,540	₱1,612,853

14. Intangible assets

The carrying amounts of the Group's intangible assets as of December 31, 2021 and 2020 are as follows:

	2021	2020
Goodwill (Note 35)	**₱1,682,690**	₱ –
Computer software	**840,129**	–
	₱2,522,819	₱ –

Additions in 2021 were all paid in cash.

As at December 31, 2021, computer software is not yet available for use since it is still undergoing testing process at the end of the reporting period.

No impairment was recognized in both years.

15. Investment Properties - net

As at December 31, 2021 and 2020 the account consists of the following:

Property	Location	Area	2021	2020
Land	Batangas	35,084 sq. m	**₱3,157,560**	₱3,157,560
Land	Laguna	335 sq. m	**2,400,000**	2,400,000
Land	Olongapo	467 sq. m	**1,500,000**	1,500,000
			7,057,560	7,057,560
Allowance for impairment			**–**	(737,095)
			₱7,057,560	₱6,320,465

Fair value of the property was not determined as at December 31, 2021. However, the Management believes that there were no conditions present in 2021 and 2020 that would significantly reduce the recoverable values of investment property from its net carrying value and that fair value of the investment approximates its carrying value.

The Group's management had reviewed the carrying values of the investment properties for any impairment as at December 31, 2021 and 2020. In 2021, the Group reversed the allowance for impairment on its investment properties amounting to ₱737,095. Allowance for impairment amounted to nil and ₱737,095 as at December 31, 2021 and 2020, respectively.

There are no contractual commitments to purchase or construct investment property. There is also no investment property that are pledged as securities as at December 31, 2021 and 2020. Furthermore, there is no property whose title is restricted from use of the Group as at December 31, 2021 and 2020.

16. Biological Assets

The carrying amounts of the Group's biological assets are as follows:

	2021	2020
Consumable		
Mature	**₱14,358,399**	₱-
Immature	**154,756**	-
	₱14,513,155	₱-

Consumable biological assets pertain to lowland vegetables not expected to bear produce for more than one (1) period and non-fruit bearing trees.

The movements in the carrying amounts of the biological assets are shown below:

	2021	2020
Balance as of January 1	**₱-**	₱-
Additions	**4,360,590**	-
Unrealized fair value gain	**10,152,565**	-
	₱14,513,155	₱-

In 2021, all additions were paid in cash.

17. Advances to Project

Advances to project represent cash advances provided for farm projects and other projects related to business development.

Advances to projects will be reclassified as "Biological Assets", "Property, Plant and Equipment" or "Investment" once the project or business prospect materialize. As of December 31, 2021 and 2020, advances to project amounted to ₱61,261,500 and nil, respectively.

18. Trade and Other Payables

This account consists of:

	2021	2020
Trade	**₱375,632**	₱87,767
Advances from officers and employees	**2,457,030**	2,606,815
Accrued expenses	**503,895**	578,896
Refundable deposit (Note 22)	**270,000**	270,000
Government payables	**45,167**	225,871
Other payables	**4,588,563**	4,320,000
	₱8,240,287	₱8,089,349

Trade payables are unsecured and noninterest-bearing which arise from purchases of materials, supplies and services in the ordinary course of business that are settled within 90 days.

Accrued expenses include accruals of professional fees, taxes and penalties.

Government payables are dues and remittances which represents contributions of employees that will be remitted to various government agencies. It also includes taxes withheld from salaries of employees and income payment to suppliers, which will be remitted in the subsequent month.

Advances from officers and employees are noninterest-bearing, arise from rendering of services to the Group, and payable on demand.

Other payables include unpaid farm expenses.

All trade and other payables are unsecured and noninterest-bearing. Trade and other payables amounting to nil and ₱116,332 in 2021 and 2020, respectively, were reversed.

19. Related Party Transactions

Nature of relationship of the Group and its related parties are disclosed below:

Related Parties	Nature of Relationship
The Big Chill, Inc.	Under common control
First Class Agriculture Corp.	Under common control
Agrinurture, Inc.	Under common control
Stockholders	Members of key management personnel

The Group entered into transactions with related parties. Details of these transactions follow:

a. The Group availed and extended unsecured noninterest-bearing cash advances from and to its related parties with no definite repayment dates for working capital requirements.

b. The Group extended noninterest-bearing and unsecured cash advances to one of its stockholders for the acquisition and development of the Park amounting to ₱446,073,000 in 2014 (see Note 10). In 2021 and 2020, settlement received amounted to ₱3.8 million and ₱12.8 million, respectively.

c. As at December 31, 2021 and 2020 details and outstanding balances of due to and from related parties follow:

	2021	2020
Receivables		
Stockholders	**₱634,199,332**	₱707,135,290
Under common control	**72,504,340**	72,550,298
	706,703,672	779,685,588
Allowance for impairment	**(83,574,369)**	(83,574,369)
	₱623,129,303	₱696,111,219
Payables		
Stockholders	**₱104,116,363**	₱20,473,777
Under common control	**164,405,213**	71,200,135
	₱268,521,576	₱91,673,912

For consolidated financial statements disclosure purposes, an affiliate is an entity under common control of the Group's stockholders.

The roll forward analysis of related party accounts follow:

	2021	2020
Receivables		
Balance at beginning of year	**₱696,111,219**	₱717,917,772
Collections	**(76,794,416)**	(20,547,225)
Advances made during the year	**3,812,500**	7,403,179
	623,129,303	704,773,726
Provision for impairment	**–**	(8,663,207)
Reversal of impairment	**–**	700
Balance at end of year	**₱623,129,303**	₱696,111,219
Payable		
Balance at beginning of year	**₱91,673,912**	₱80,986,459
Advances received during the year	**176,847,664**	12,313,789
Payments made during the year	**-**	(1,626,336)
Balance at end of year	**₱268,521,576**	₱91,673,912

d. On July 2, 2014, the Parent Company executed a subscription agreement with Earthright Holdings, Inc. (EHI) subject to the application to and approval of SEC of the increase in its authorized capital stock (the "Increase"), EHI subscribed to ₱250,000,000 worth of common shares at ₱1.00 per share and ₱37,500,000 worth of preferred shares at ₱0.01 per share of which ₱177,000,000 shall be paid in cash upon execution of the subscription agreement with the balance due upon approval by the SEC of the increase. On May 22, 2019, the Parent Company and EHI executed an Amended Subscription Agreement amending the Subscription Agreement dated July 2, 2014 to increase the subscription of EHI from ₱250,000,000 worth of common shares to ₱750,000,000 worth of common shares. The amended number of subscribed common shares represent 25% of the required subscription out of the proposed increase. This will be converted to equity once the approval from the SEC have been obtained.

   In 2019, the Parent Company received additional deposits amounting to ₱44,821,275. The outstanding deposits amounted to ₱221,821,275 as at December 31, 2020. On May September 17, 2021, application for increase of authorized capital stock from ₱2,000,000,000 divided into 1,900,000,000 common shares with par value of ₱1.00 per share and ₱1,000,000,000 preferred shares with a par value of ₱0.10 per share to ₱5,000,000,000 divided into 4,900,000,000 common shares with par value of ₱1.00 per share and ₱1,000,000,000 preferred shares with a par value of ₱0.10 per share was approved by the SEC, thereby, converting the deposit for future stock subscription amounting to ₱221,821,275 into capital stock, as disclosed in Note 20.

   Movements of deposit for future stock subscription – liability are as follows:

		2021		2020
Balance at beginning of year	**₱**	**–**	₱	221,821,275
Transfer to equity		**–**		(221,821,275)
	₱	**–**	₱	–

   Movement of the deposit for stock subscription – equity is as follows:

		2021		2020
Beginning balance	**₱**	**221,821,275**	₱	–
Transfer from liability		**–**		221,821,275
Conversion to capital stock (Note 20)		**(221,821,275)**		–
	₱	**–**	₱	221,821,275

The summary of the Group's related party transactions follows:

Category	2021 Amount	2021 Balance – Asset (Liability)	2020 Amount	2020 Balance – Asset (Liability)	Terms and Conditions/ Settlement	Guaranty/ Provisions
Stockholders						
Receivable	**₱ –**	**₱ 634,199,332**	₱ –	₱ 707,135,290	Noninterest-bearing; collectible on demand and to be settled through liquidation	Unsecured; no significant warranties and covenants; no impairment
• Collections	**(76,748,458)**	**–**	(19,571,213)	–		
• Advances made	**3,812,500**	**–**	651,573	–		
• Allowance for impairment	**–**	**(17,018,462)**	(8,509,531)	(17,018,462)		
Payable	**–**	**(104,116,363)**	–	(20,473,777)	Noninterest-bearing; payable on demand and to be settled in cash	Unsecured; no significant warranties and covenants
• Advances received	**83,642,586**	**–**	7,090,469	–		
• Payments made	**–**	**–**	651,023	–		
Under common control						
Receivable	**–**	**72,504,340**	–	72,550,298		
• Advances made	**–**	**–**	6,751,606	–	Noninterest-bearing; collectible on demand and to be settled in cash.	Unsecured; no significant warranties and covenants; with impairment
• Collections received	**(45,958)**	**–**	(976,012)	–		
• Allowance for impairment	**–**	**(66,555,907)**	–	(66,555,907)		
• Provision	**–**	**–**	(156,676)	–		
• Reversal	**–**	**–**	700	–		
Payable	**–**	**(164,405,213)**		(71,200,135)	Noninterest-bearing; payable on demand and to be settled in cash	Unsecured; no significant warranties and covenants
• Advances received	**93,205,078**	**–**	5,223,320	–		
• Payments made	**–**	**–**	975,313	–		

e. Compensation paid to key management personnel for the years then endedDecember 31, 2021 and 2020 follows:

	2021	2020
Short term benefits		
Salaries and wages	**₱3,373,805**	₱2,008,809
13th month pay and other benefits	**217,644**	161,006
	₱3,591,449	₱2,169,815

f. Below are the account balances as at December 31, 2021 and 2020 on the separate financial statements of the companies within the Group which were eliminated upon consolidation:

	2021						
	Payable						
Receivable	**TWMRSI**	**WGVI**	**SREDC**	**ADHI**	**LTSI**	**OBTRI**	**Total**
GHI	**₱233,563,167**	**₱65,470,480**	**₱10,747,882**	**₱261,020**	**₱1,025,195**	**₱1,726,580**	**₱312,794,324**
WGVI	**120,870**	**–**	**–**	**–**	**–**	**–**	**120,870**
	₱233,684,037	**₱65,470,480**	**₱10,747,882**	**₱261,020**	**₱1,025,195**	**₱1,726,580**	**₱312,915,194**

	2020						
	Payable						
Receivable	TWMRSI	WGVI	SREDC	ADHI	LTSI	OBTRI	Total
GHI	₱233,500,737	₱65,407,714	₱10,294,877	₱198,590	₱205,865	₱–	₱309,607,783
WGVI	120,870	–	–	–	–	–	120,870
	₱233,621,607	₱65,407,714	₱10,294,877	₱198,590	₱205,865	₱–	₱309,728,653

g. There are no other significant related party transactions in 2021 and 2020.

20. Equity

Capital Stock

Based on the Amended Articles of Incorporation dated September 11, 2014, the Parent Company's preferred shares have, among others, the following features: (a) voting, (b) rightto receive dividends at the rate as may deemed by the BOD under the prevailing market conditions, and (c) in liquidation, dissolution, and winding up of the Parent Company, whether voluntary or otherwise, the right to be paid in full or ratably insofar as the assets of the Parent Company will permit, the par value or face value of each preferred shares as the BOD may determine, upon issue, plus unpaid and accrued dividends up to the current dividend period, before any assets of the Parent Company shall be paid or distributed to the holders of common shares.

The stockholders of the Parent Company shall have no pre-emptive rights to subscribe to or purchase any or all, issue or dispose of shares of any class of the Group.

Components of capital stock of the Company are detailed as follows:

	2021	2020
Preferred shares	**₱ 100,000,000**	₱ 100,000,000
Ordinary shares	**1,939,099,849**	1,704,778,573
Additional paid-in capital	**283,715,531**	268,090,531
	₱ 2,322,815,380	₱ 2,072,869,104

Preferred Shares

The Parent Company's preferred shares consisting of 1,000,000,000 with par value of ₱0.10 per share have the following rights, privileges, limitations and restrictions, which shall also appear on the Certificates of the Preferred Shares of the Parent Company:

1. The right to vote and be voted for;
2. The right to receive, out of the unrestricted retained earnings of the Parent Company, participating dividends at the rate as may be deemed proper by the BOD under the prevailing market conditions or such other relevant factors as the BOD may consider. Said dividends may be declared and payable at the discretion of the BOD after taking into account the Parent Company's earnings, cash flows, financial conditions and other factors as the BOD may consider relevant; and
3. In the liquidation, dissolution and winding up of the Parent Company, whether voluntary or otherwise the right to be paid in full or ratably, insofar as the assets of the Parent Company will permit, the par value or face of each preferred share as the BOD may determine upon their issuance, plus unpaid and accrued dividends up to the current dividend period, before any assets of the Parent Company shall be paid or distributed to the holders of the common shares.

Common Shares

Shown below are the details of common shares:

	2021		2020	
	Shares	**Amount**	Shares	Amount
Authorized				
Balance, January 1, ₱100 par value	**1,900,000,000**	**₱ 1,900,000,000**	1,900,000,000	₱ 1,900,000,000
Increase	**3,000,000,000**	**3,000,000,000**	-	
	4,900,000,000	**4,900,000,000**	1,900,000,000	1,900,000,000
Subscribe and paid				
Common shares – ₱1 par value				
Balance, January 1	**1,800,778,573**	**1,800,778,573**	1,800,778,572	1,800,778,572
Issuance of shares	**578,178,726**	**578,178,726**	1	1
Conversion from deposit for future stock subscription	**221,821,275**	**221,821,275**	–	–
Balance at end of year	**2,600,778,574**	**2,600,778,574**	1,800,778,573	1,800,778,573
Subscriptions receivable				
Balance, January 1	**(96,000,000)**	**(96,000,000)**	(97,500,000)	(97,500,000)
Additions during the year	**(565,678,725)**	**(565,678,725)**	–	–
Collections during the year	**–**	**–**	1,500,000	1,500,000
Balance at end of year	**(661,678,725)**	**(661,678,725)**	(96,000,000)	(96,000,000)
Common stock net of subscription receivable	**1,939,099,849**	**₱ 1,939,099,849**	1,704,778,573	₱ 1,704,778,573

During the annual meeting of the stockholders of the Corporation held on December 11, 2012 the BOD and Stockholders, it was resolved that the (i) the Articles of Incorporation and By-Laws of the Corporation shall be amended to increase its authorized capital stock from ₱2,000,000,000 up to an amount not exceeding ₱10,000,000,000. During the annual meeting of the stockholders of the Corporation held on December 20, 2017, the Board of Directors and Stockholders has confirmed to increase its authorized capital stock from ₱2,000,000,000 up to an amount not exceeding ₱10,000,000,000 as previously approved by the stockholders of the Corporation during the annual stockholders' meeting on December 11, 2012.

At the meeting of the BOD held on May 22, 2019 and at the annual meeting of the stockholders held on June 28, 2019, majority of the BOD and stockholders approved the increase of the authorized capital stock from ₱2,000,000,000 divided into 1,900,000,000 common shares with par value of ₱1.00 per share and 1,000,000,000 preferred shares with a par value of ₱0.10 per share to ₱5,000,000,000 divided into 4,900,000,000 common shares with par value of ₱1.00 per share and 1,000,000,000 preferred shares with a par value of ₱0.10 per share. Application for the said increase to the SEC was made in 2020. On September 17, 2021, the said application was approved by the SEC.

On September 17, 2021, application for increase of authorized capital stock from ₱2,000,000,000 divided into 1,900,000,000 common shares with par value of ₱1.00 per share and 1,000,000,000 preferred shares with a par value of ₱0.10 per share to ₱5,000,000,000 divided into 4,900,000,000 common shares with par value of ₱1.00 per share and 1,000,000,000 preferred shares with a par value of ₱0.10 per share was approved by the SEC, thereby, converting the deposit for future stock subscription amounting to ₱221,821,275 into capital stock, as disclosed in Note 19.

Additional paid-in capital

As of December 31, 2021 and 2020, the Company's additional paid-in capital pertain to proceeds on issuance of the Company's common shares in excess of par value amounted to ₱291,715,531 and ₱268,090,531, respectively.

Movements of additional paid-in capital are detailed as follows:

		2021		2020
Balance, January 1	**₱**	**268,090,531**	₱	268,090,531
Additions		**23,625,000**		–
Cost of issuance		**(8,000,000)**		–
Balance December 31	**₱**	**283,715,531**	₱	268,090,531

In 2021, the Group issued 800,000,000 shares, resulting to an additional paid-in capital amounting to ₱23,625,000. The cost of issuance related to the said issuance pertains to documentary stamp tax amounting to ₱8,000,000 which is a deduction to the additional paid-in capital initially recognized as shown in the table above.

The following summarizes the information on the Group's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized shares
September 17, 2021	4,900,000,000
September 11, 2014	2,900,000,000
March 8, 2012	200,000,000,000
June 22, 2011	100,000,000,000
October 15, 2009	5,000,000,000
June 24, 2008	2,450,000,000
December 28, 2007	1,120,000,000
September 7, 2007	160,000,000

The total number of shareholders of the Group is 1,031 and 1,028 as at December 31, 2021 and 2020, respectively.

The principal market for the Group's capital stock is the PSE. The high and low trading prices of the Group's shares as at December 31, 2021 and 2020 are as follows:

	2021		2020	
	High	**Low**	High	Low
First	**₱4.94**	**₱3.69**	₱2.17	₱0.65
Second	**4.53**	**3.35**	1.93	0.74
Third	**2.20**	**2.10**	2.26	1.50
Fourth	**2.29**	**2.24**	2.74	2.17

21. Revaluation Surplus

The movements in the balance of revaluation surplus are shown below:

	2021	2020
Balance, January 1	**₱-**	₱-
Gain on revaluation	**6,854,717**	-
Tax effect	**(1,713,679)**	-
	₱5,141,038	₱-

The properties revaluation reserve arises on the revaluation of bearer asset and construction-in-progress as disclosed in Note 13. Construction in progress pertains to immature bearer plants. When revalued assets are sold, the portion of the properties revaluation reserve that relates to that asset, and is effectively realized, is transferred directly to retained earnings.

22. Revenues

Sales pertain to receipts from agri-tourism, sale of fruits and vegetables, sale of solar energy, and sale of supplements.

The table shows the analysis of sales of the Group by major sources for the years ended December 31, 2021, 2020 and 2019:

Category	**2021**	2020	2019
Sale of fruits and vegetables	**₱17,756,439**	₱2,162,169	₱976,573
Sale of solar energy	**6,221,903**	6,713,476	-
Agri-tourism	**6,017,896**	161,801	669,030
Sale of supplements	**286,199**	355,466	-
Rental income	**-**	434,838	395,307
Total	**₱30,282,437**	₱9,827,750	₱2,040,910

The performance obligation to provide agri-tourism services is satisfied overtime which is upon render of service. There are no outstanding contract balances from the Group's sales.
The Group has no liability related to these services.

<u>Rental income</u>
The Group leases its nine-hectare property situated at Rosario, Batangas effective from January 1, 2015 to December 31, 2015, and shall be automatically renewed for successive one-year periods unless terminated. Under the terms of the lease agreement, the rental shall be ₱30,000 per hectare per annum, exclusive of VAT and subject to an escalation of 10% per year starting from the second year of the lease agreement.

Rent receivable amounted to ₱2,049,614 as at December 31, 2021 and 2020, respectively (see Note 7). Refundable deposit under this lease agreement amounted to ₱270,000 as at December 31, 2021 and 2020, respectively. (see Note 18).

23. Cost of Sales

This account consists of:

	2021	2020	2019
Farm supplies	**₱11,481,889**	₱1,958,272	₱2,083,709
Solar energy	**5,599,713**	6,328,777	–
Depreciation (Note 13)	**4,873,045**	4,147,956	4,154,906
Supplements	**141,840**	230,380	–
Meals	**175,549**	128,560	691,062
	₱22,272,036	₱12,793,945	₱6,929,677

Farm expenses pertains to expense being used to maintain the wellness of the Company's farm lots.

24. General and Administrative Expenses

This account consists of:

	2021	2020	2019
Depreciation and amortization (Note 13)	**₱10,763,552**	₱8,737,961	₱8,689,887
Listing and stock transfer fees	**6,311,010**	322,639	1,744,516
Contractual services	**5,746,334**	8,257,143	9,827,514
Salaries and wages (Note 25)	**4,535,094**	4,153,870	5,184,433
Utilities	**2,713,287**	2,134,710	2,629,038
Legal and professional	**948,329**	1,150,582	1,215,280
Loss on disposal of property and equipment (Note 13)	**817,420**	–	–
Repairs and maintenance	**688,998**	559,986	1,092,051
Transportation	**672,048**	625,423	737,656
Penalties and fines	**370,548**	–	370,049
Taxes and licenses	**301,365**	246,705	231,824
Materials and supplies	**251,106**	587,258	388,200
Representation and entertainment	**8,357**	363,791	108,531
Miscellaneous	**446,277**	175,168	229,352
	₱34,573,725	₱27,315,236	₱32,448,331

Salaries and wages include medical expense, SSS, HDMF, and PhilHealth contributions.

Listing and stock transfer fees pertain to the expenses charged by the SEC for stock transfers.

Contractual services pertain to security and farm maintenance.

Taxes and licenses pertain to the notarial and business permit.

Miscellaneous expenses include directors fee, advertising, service charges and other fees.

As at December 31, 2021, 2020, and 2019, the Group is not covered by the provisions of the Republic Act No. 7641, Retirement Pay Law, because the total number of regular employees is not more than 10, which is the number of mandated to comply with the said law. Accordingly, the Group has not made a provision for retirement benefits.

25. Employee Benefits

Short-term employee benefits, as disclosed in Note 24, are detailed as follows:

	2021	2020	2019
Salaries and wages	**₱2,109,178**	₱1,078,489	₱1,084,345
Other employee benefits	**2,425,916**	3,071,781	4,100,088
	₱4,535,094	₱4,153,870	₱5,184,433

26. Income Taxes

26.01 Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, the Republic Act (RA) 11534, known as "The Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE Act), was passed into law. The salient provisions of the CREATE Act applicable to the Group are as follow:

1. Effective July 1, 2020, the corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100,000,000, excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed at 20%. All other domestic corporations and resident foreign corporations will be subject to 25% income tax;
2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% effective July 1, 2020 to June 30, 2023;
3. Percentage tax reduced from 3% to 1% effective July 1, 2020 to June 30, 2023; and
4. The imposition of improperly accumulated earnings is repealed.

The Group's applicable regular tax rate for the year ended December 31, 2021 was 25% and 20% while Group's applicable regular tax rate for the year ended December 31, 2020 was 30%.

26.02 Income Tax Recognized in Profit or Loss

The reconciliation between the income tax expense computed at the statutory tax rate and the income tax shown in Group's consolidated statements of comprehensive loss is as follows:

	2021	2020	2019
Loss before income tax	**(₱15,692,470)**	(₱43,724,680)	(₱56,583,066)
Multiplied by statutory tax rate	**25%/20%**	30%	30%
Income tax at statutory rate @ 30%	–	(13,117,404)	(16,974,920)
Income tax at statutory rate @ 25%	**(3,987,445)**	–	–
Income tax at statutory rate @ 20%	**51,462**	–	–
Income tax effects of:			
Nondeductible expenses	**28,838**	162,584	116,012
Provisions for impairment loss	**4,124**	5,450,817	8,320,433
Accounts written off	–	6,662	–
Applied NOLCO	–	–	(739,888)
Deferred tax assets not recognized	–	(1,836)	–
Nontaxable income	–	(37,526)	–
Applied MCIT	–	(53,329)	–
Interest income subjected to final tax	**(297)**	(549)	(8,676)
Unrealized foreign exchange	**(772)**	–	–
Difference in tax rates	**(4,785)**	–	–
Reversal of allowance for impairment	**(184,274)**	(1,424,843)	–
Unrecognized deferred tax assets on:			
NOLCO	**6,738,301**	9,038,489	9,287,039
MCIT	**72,439**	17,498	165,449
Impact of change in tax rate	**(6,449)**	–	–
	₱2,711,142	₱40,563	₱165,449

Net Operating Loss Carry-Over (NOLCO)

NOLCO incurred prior to taxable year 2020
NOLCO incurred prior to taxable year 2020 can be claimed as deduction against regular taxable income within the next three (3) consecutive taxable years immediately following the year of such loss. The Group incurred the following NOLCO:

Year incurred	NOLCO	Applied	Expired	Unexpired	Tax benefit	Year of expiration
2019	₱30,774,580	₱15,966	₱–	₱30,758,614	₱7,679,752	2022
2018	31,719,395	105,322	31,614,073	–	–	2021
	₱62,493,975	**₱121,288**	**₱31,614,073**	**₱30,758,614**	**₱7,679,752**	

NOLCO incurred in taxable year 2020
Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under Revenue Regulations (RR) No. 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as deduction from grossincome for the next five (5) consecutive taxable years immediately following the yearof such loss.

Year incurred	NOLCO	Applied	Expired	Unexpired	Tax benefit	Year of expiration
2021	₱27,013,588	₱–	₱–	₱27,013,588	₱6,738,301	2026
2020	30,128,296			30,128,296	7,523,543	2025
	₱57,141,884	**₱–**	**₱–**	**₱57,141,884**	**₱14,261,844**	

The Group did not recognize the future income tax benefit of NOLCO because it is not likely to be utilized prior to its expiration.

The Group incurred MCIT which can be claimed as deduction against future tax due asfollows:

Year incurred	Year of expiration	Applied	Expired	Balance
2021	2024	₱–	₱–	₱54,329
2020	2023	–	–	12,363
2019	2022	–	–	122,710
2018	2021		28,443	–
		₱–	**₱28,443**	**₱189,402**

The income tax benefit of MCIT is not recognized in the consolidated financial statements as management believes that these could not be utilized prior to its expiration.

The Group opted for the itemized deduction scheme for its income tax reporting in 2021, 2020 and 2019.

Deferred Tax Asset
Management believes that the Group will not generate taxable profit to allow its deferred tax asset to be utilized prior to its expiration. As of December 31, 2021 and 2020, the Parent Company's unrecognized deferred tax asset amounted to ₱22,130,997 and ₱27,803,814, respectively.

27. Deferred Tax Liabilities

Details of deferred tax liabilities are as follows:

	Biological Assets	Revaluation Surplus	**Total**
Balance as of January 1, 2021	₱-	₱-	**₱-**
Recognized in profit or loss	2,538,142	-	**2,538,142**
Recognized in OCI	-	1,713,679	**1,713,679**
Balance as of December 31, 2021	**₱2,538,142**	**₱1,713,679**	**₱4,251,821**

28. Basic Loss per Share

The following table presents the information necessary to compute the basic loss per share attributable to equity holders of the Group.

	2021	2020	2019
Net loss attributable to the equity holders of the Parent Company	**(₱15,691,517)**	(₱28,874,349)	(₱40,692,467)
Divided by weighted average number of common shares	**1,763,358,892**	1,704,778,573	1,703,278,572
Basic loss per share	**(₱0.01)**	(₱0.02)	(₱0.02)

The weighted average number of ordinary shares for the periods 2021, 2020 and 2019 used for the purposes of basic loss per share were computed as follows:

	Number of Ordinary Shares	**Proportion to Period**	**Weighted Average**
December 31, 2021			
Outstanding shares for nine (9) months	**1,704,778,573**	**9/12**	**1,278,583,930**
Outstanding shares for three (3) months	**1,939,099,848**	**3/12**	**484,774,962**
Outstanding shares at the beginning and end of the period			**1,763,358,892**
December 31, 2020			
Outstanding shares at the beginning and end of the period	1,704,778,573	12/12	1,704,778,573
December 31, 2019			
Outstanding shares at the beginning and end of the period	1,703,278,572	12/12	1,703,278,572

The Group has no diluted loss per share for the years ended December 31, 2021, 2020 and 2019.

29. Non-controlling Interests

Noncontrolling interests represent the equity in subsidiaries not attributable directly or indirectly to the Parent Company. The details of the account are as follows:

	2021			
	Balance at beginning of year	**Net income (loss)**	**Addition during the year**	**Balance at end of year**
SREDC	**₱213,861,381**	**(₱2,615,234)**	**₱ –**	**₱211,246,147**
LSTI	**(56,848)**	**(33,040)**	**–**	**(89,888)**
TWMRSI	**(115,518,366)**	**(33,041)**	**–**	**(115,551,407)**
YGPL	**63,026**	**11,723**	**–**	**74,749**
OBTRI	**–**	**(42,503)**	**625,000**	**582,497**
	₱98,349,193	**(₱2,712,095)**	**₱625,000**	**₱96,262,098**

	2020			
	Balance at beginning of year	Net income (loss)	Addition during the year	Balance at end of year
SREDC	₱228,743,356	(₱14,881,975)	₱–	₱213,861,381
LSTI	(26,559)	(30,289)	–	(56,848)
TWMRSI	(115,478,443)	(39,923)	–	(115,518,366)
YGPL	–	61,293	1,733	63,026
	₱113,238,354	(₱14,890,894)	₱1,733	₱98,349,193

	2019			
	Balance at beginning of year	Net income (loss)	Addition during the year	Balance at end of year
SREDC	P244,732,633	(P15,989,277)	P–	P228,743,356
LSTI	1,574	(28,133)	–	(26,559)
TWMRSI	(115,439,805)	(38,638)	–	(115,478,443)
	P129,294,402	(P16,056,048)	P–	P113,238,354

Other comprehensive loss pertains to fair value loss on financial asset at FVOCI for the year attributable to non–controlling interest.

30. Fair Value Measurement

Fair Value of Financial Assets and Liabilities

The following tables set forth the carrying values and estimated fair values of the Group's financial asset and liabilities recognized as at December 31, 2021 and 2020:

	2021			
	Carrying value	**Fair value**	**Quoted prices in active market(Level 1)**	**Significant observable inputs(Level 2)**
Cash on hand (Note 6)	**₱1,050,000**	**₱1,050,000**	**₱ –**	**₱1,050,000**
Financial assets at amortized cost				
Cash in banks (Note 6)	**2,124,413**	**2,124,413**	**–**	**2,124,413**
Trade and other receivables – net (Note 7)	**252,461,697**	**252,461,697**	**–**	**252,461,697**
Due from related parties – net (Note 19)	**623,129,303**	**623,129,303**	**–**	**623,129,303**
Financial asset at FVOCI (Note 11)	**1,074,337,359**	**1,074,337,359**	**1,074,337,359**	**–**
	₱1,953,102,772	**₱1,953,102,772**	**₱1,074,337,359**	**₱878,765,413**
Financial liabilities at amortized cost				
Trade and other payables (Note 18)	**₱8,195,120**	**₱8,195,120**	**₱ –**	**₱8,195,120**
Due to related parties (Note 19)	**268,521,576**	**268,521,576**	**–**	**268,521,576**
	₱276,716,696	**₱276,716,696**	**₱ –**	**₱276,716,696**

	2020			
	Carrying value	Fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)
Cash on hand (Note 6)	₱1,550,000	₱1,550,000	₱–	₱1,550,000
Financial assets at amortized cost				
Cash in banks (Note 6)	1,234,168	1,234,168	–	1,234,168
Trade and other receivables – net (Note 7)	251,839,507	251,839,507	–	251,839,507
Due from related parties – net (Note 19)	696,111,219	696,111,219	–	696,111,219
Financial asset at FVOCI (Note 11)	1,458,373,432	1,458,373,432	1,458,373,432	–
	₱2,409,108,326	₱2,409,108,326	₱1,458,373,432	₱950,734,894
Financial liabilities at amortized cost				
Trade and other payables (Note 18)	₱7,863,478	₱7,863,478	₱–	₱7,863,478
Due to related parties (Note 19)	91,673,912	91,673,912	–	91,673,912
	₱99,537,390	₱99,537,390	₱–	₱99,537,390

Methods and Assumption Used to Estimate Fair Value

The carrying values of the financial assets, except financial assets at FVOCI, and financial liabilities approximate their fair values due to their relatively short-term maturities or short-term nature of transactions. Financial assets at FVOCI pertaining to investment in a listed company included in level 1 is valued based at published prices. The fair value of financial assets and financial liabilities included in level 2 which are not traded in active market are determined based on the expected cash flows of the underlying asset and liability based on the investment where the significant inputs required to determine the fair value of such instrument are directly or indirectly observable.

There are no transfers of categories during 2021 and 2020.

Fair Value Hierarchy

Shown below are the fair value of assets:

Recurring Fair Value Measurements

Level 3	**2021**	2020
Assets:		
Biological assets	**₱14,513,155**	₱-
Property and equipment	**12,834,158**	-
	₱27,347,313	₱-

Fair Value Disclosure

As of December 31, 2021 and 2020, the fair value of investment properties which is not measured at fair value but whose fair value is disclose was based on the level 3 fair value measurements amounted to ₱7,057,560 and ₱6,320,465, respectively.

Valuation Techniques used to Derive Level 2 and 3 Fair Values

The following are the valuation techniques used to derive level 3 fair values of the following assets:

Assets:

Investment properties: The fair value was derived using the market approach. Market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets. Under market approach, the most significant input into this valuation is the price per square foot.

Biological assets: The fair value was derived using the market approach. Market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets. Under market approach, the most significant input into this valuation is the fair value less estimated costs to sell in an active market.

Property and equipment: The value of the bearer assets was estimated by using the Market Data Approach. Market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets. Under market data approach, the value of the land was based on sales and listings of comparable property available. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable.

Highest and Best Use
The Company's non-financial assets which composed of investment properties were held for capital appreciation. However, as of December 31, 2021, the Company assessed the highest and best use of the investment property from the perspective of market participants. The investment properties, in combination with other assets and liabilities, could be developed or converted as a residential property. The Company determined that the current use of the investment properties is the asset's highest and best use since the property being leased out to others is earning income and developing and converting the asset into a residential property would entail a high cost.

31. Financial Risk Management Objectives and Policies

The Group is exposed to a variety of financial risks, which resulted from its investing and financing activities. The Group's principal financial instruments comprise of cash in banks, nontrade receivables, financial assets at FVOCI, trade and other payables, and due to and from related parties. The main purpose of investing these financial instruments (assets) is to maximize interest yield and for capital appreciation. The Group's policies and guidelines cover credit risk, liquidity risk, interest rate risk, equity price risk and foreign currency risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Group's results and financial position. The Group actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principles.

- *Credit Risk*

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, resulting in financial loss to the Group. The Group is exposed to credit risk primarily from cash in banks, trade and other receivables (except advances to officers and employees), due from related parties and financial asset at FVOCI.

With respect to credit risk arising from the Group's financial assets, the Group's exposureto credit risk arises from default of the counterparty, with a maximum exposure equal tothe carrying amount of these instruments.

Credit risk exposure
The table below shows the gross maximum exposure to credit risk of the Group as at December 31, 2021 and 2020, without considering the effects of credit risk mitigation techniques.

	2021	2020
Cash in banks	**₱2,124,413**	₱1,234,168
Trade and other receivables – net	**252,461,697**	251,839,507
Due from related parties	**623,129,303**	696,111,219
	₱877,715,413	₱949,184,894

Credit quality per class of financial asset
Below is the credit quality per class of financial assets as at December 31, 2021 and 2020.

	2021				
	Neither past due nor impaired		**Past due but**		
	High grade	**Standard grade**	**not impaired**	**Impaired**	**Total**
Cash in banks	**₱2,033,217**	**₱91,196**	**₱–**	**₱–**	**₱2,124,413**
Trade receivables	–	**622,190**	–	–	**622,190**
Nontrade receivables	–	**1,720,770**	**250,118,737**	**328,845**	**252,168,352**
Due from related parties	**3,812,500**	**619,316,803**	–	**83,574,369**	**706,703,672**
	₱5,845,717	**₱621,750,959**	**₱250,118,737**	**₱83,903,214**	**₱961,618,627**

	2020				
	Neither past due nor impaired		Past due but not		
	High grade	Standard grade	impaired	Impaired	Total
Cash in banks	₱1,120,799	₱113,369	₱–	₱–	₱1,234,168
Nontrade receivables	–	1,720,770	250,118,737	328,845	252,168,352
Due from related parties	7,403,179	688,708,040	–	83,574,369	779,685,588
	₱8,523,978	₱690,542,179	₱250,118,737	₱83,903,214	₱1,033,088,108

The credit quality of cash are based on the nature and performance of the counterparty. High grade cash in banks are placed, invested, or deposited in local banks belonging to the top 10 banks in the Philippines in terms of resources and profitability.

High grade receivables are those with no default in payment. Standard grade pertains receivables 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.

Risk concentrations of the maximum exposure to credit risk
Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry orgeographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and underminepublic confidence. The Group is not exposed to large concentration of credit risks.

Impairment assessment
The Group applies general approach for determining the ECLs of cash in banks, nontrade receivables and due from related parties. A credit loss is the difference between the cash flows that are expected to be received discounted at the original effective interest rate and contractual cash flows in accordance with the contract. The loss allowance for financial assets is based on the assumptions about risk of default and expected loss rates. Management has assessed that due from related parties amounting to ₱83,574,369 in 2021 and 2020 are uncollectible.

- *Liquidity Risk*

Ultimate responsibility for liquidity risk management rests with the Management, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below summarizes the maturity profile of financial assets and liabilities as at December 31, 2021 and 2020 based on contractual undiscounted payments:

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted Average Effective Interest Rate	On Demand	Within one (1) Year	Total
December 31, 2021				
Trade and other payables	–	**₱–**	**₱8,195,120**	**₱8,195,120**
Due to related parties	–	**268,521,576**	–	**268,521,576**
		₱268,521,576	**₱8,195,120**	**₱276,716,696**
December 31, 2020				
Trade and other payables	–	₱–	₱7,863,478	₱7,863,478
Due to related parties	–	91,673,912	–	91,673,912
		₱91,673,912	₱7,863,478	₱99,537,390

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted Average Effective Interest Rate	On Demand	Within one (1) Year	Total
December 31, 2021				
Cash on hand	–	**₱1,050,000**	**₱–**	**₱1,050,000**
Cash in banks	**Less than 1%**	**2,124,413**	–	**2,124,413**
Trade and other receivables – net	–	**252,461,697**	–	**252,461,697**
Due from related parties - net	–	**623,129,303**	–	**623,129,303**
		₱878,765,413	**₱–**	**₱878,765,413**
December 31, 2020				
Cash on hand	–	₱1,550,000	₱–	₱1,550,000
Cash in banks	Less than 1%	1,234,168	–	1,234,168
Trade and other receivables – net	–	251,839,507	–	251,839,507
Due from related parties - net	–	696,111,219	–	696,111,219
		₱950,734,894	₱–	₱950,734,894

- *Interest rate risk*

  The Group is not exposed to interest rate fluctuations on their cash in banks and cash equivalents. Other financial assets and liabilities which principally arise in the ordinary course of its operations are generally short-term and noninterest-bearing.

  Historically, the rate fluctuations relative to its cash in banks are minimal. Interest rates in 2021 and 2020 are less than 1%.

- *Equity Price Risk*

  The Group's exposure to equity securities price risk pertains to its equity instrument financial asset at FVOCI. Equity securities price risk arises from the changes in the levels of equity indices and the value of stocks traded in the stock market. Equity securities are held for strategic rather than trading purposes. The Group, does not actively trade these investments.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

				Net Effect to OCI	
	Change in assumption	**Increase in assumption**	**Decrease in assumption**	**Increase in assumption**	**Decrease in assumption**
2021					
Financial asset at FVOCI	**8.02%**	**429,037,104**	**(429,037,104)**	**(429,037,104)**	**429,037,104**
2020					
Financial asset at FVOCI	**12.09%**	**1,410,885,512**	**(1,410,885,512)**	**(1,410,885,512)**	**1,410,885,512**

At December 31, 2021 and 2020, if the quoted stock price for the securities using PSE index had increased 8.02% and 12.09%, respectively, Group's total equity would have been higher by about ₱429,037,104 and ₱1,410,885,512, respectively. On the other hand, if the quoted market price for these securities had decreased by the same percentage, with all other variables held constant, total equity for the period would have been lower by the same amount. The analysis is based on the assumption that the quoted prices had changed by 8.02% and 12.09% in 2021 and 2020, respectively, with all other variables held constant.

The Group's sensitivity to equity prices has not changed significantly from the prior year.

- *Foreign Currency Risk*

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group mitigates its exposure to foreign currency risk by monitoring its US Dollar cash flows.

The carrying amounts of the Group's foreign currency denominated monetary asset at the end of the reporting years are as follows:

	2021		2020	
	In USD	**In Php**	In USD	In Php
Cash in bank	**$ 1,814**	**₱ 92,123**	$ 2,498	₱ 119,986
	In EU	**In Php**	In EU	In Php
Cash in bank	**€ 500**	**28,756**	€ 500	29,345

The Group is mainly exposed to the US dollar and European dollar. The exchange rates used were ₱50.774 and ₱48.036 in 2021 and 2020, respectively, for US Dollar while ₱57.512 and ₱58.690 in 2021 and 2020, respectively, for European dollar.

The following table details the Group's sensitivity for 2021 and 2020 to 0.99% and 0.60%, respectively, for US dollar and 1.77% and 1.35% in 2021 and 2020, respectively, for European dollar increase and decrease in its functional currency against the relevant foreign currencies. The sensitivity rates of 0.99% and 0.60 in 2021 and 2020, respectively, for US dollar and 1.77% and 1.35% in 2021 and 2020, respectively, for European dollar are used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 0.99% and 0.60% in 2021 and 2020, respectively, for US dollar and 1.77% and 1.35% in 2021 and 2020, respectively, for European dollar change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where the Philippine Peso strengthens 0.99% and 0.60% against the relevant currency. For a 0.99% and 0.60% in 2021 and 2020, respectively, for US dollar and 1.77% and 1.35% in 2021 and 2020, respectively, for European dollar weakening of the Philippine Peso against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative.

		Monetary Asset		**Net Effect to Profit**	
	Change in assumption	**Increase in assumption**	**Decrease in assumption**	**Increase in assumption**	**Decrease in assumption**
2021					
US dollar	**0.99%**	**46,239**	**(46,239)**	**(46,239)**	**46,239**
Euro	**1.77%**	**29,238**	**(29,238)**	**(29,238)**	**29,238**
2020					
US dollar	0.60%	34,447	(34,447)	(34,447)	34,447
Euro	1.35%	18,996	(18,996)	(18,996)	18,996

The Group's sensitivity to foreign currency has decreased during the current year mainly due to increase in US dollar and European dollar foreign exchange rate at the end of the year.

In Management's opinion, the sensitivity analysis is representative of the inherent foreign exchange risk exposure during the year. The Company mitigates its exposure to foreign currency risk by monitoring its US Dollar cash flows.

32. Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and maintains healthy ratios in order to support its business and maximize shareholders' value.

The Group considers the following accounts as its capital:

	2021	2020
Capital stocks	**2,039,099,849**	1,804,778,573
Additional paid-in capital	**283,715,531**	268,090,531
Retained earnings	**1,708,835,948**	1,724,527,465
Due to related parties	**268,521,576**	91,673,912
	4,300,172,904	3,889,070,481

The Group manages capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity.

The debt-to-equity ratios as at December 31, 2021 and 2020 follow:

	2021	2020
Total debt	**₱281,169,985**	₱99,790,385
Total equity	**1,918,221,656**	2,476,896,926
	15%	4%

The Group is not subject to any externally imposed capital requirements in 2021 and 2020. No changes were made in the objectives, policies, and processes during the years ended December 31, 2021 and 2020.

33. Reconciliation of Liabilities from Financing Activities

Reconciliation of liabilities arising from financing activities is as follows:

		2021		2020
January 1	**₱**	**91,673,912**	₱	302,807,734
Changes from financing cash flows				
Advances received from related parties		**176,847,664**		12,313,789
Payments to related parties		**–**		(1,626,336)
		268,521,576		313,495,187
Transfer to equity		**–**		(221,821,275)
December 31	**₱**	**268,521,576**	₱	91,673,912

34. Non-Cash Transaction

The Company entered into the following non-cash investing and financing activities which are not reflected in the statements of cash flows:

- In 2021, deposit for future stock subscription from a related party was converted to common shares amounting to ₱221,821,275, as disclosed in Notes 19 and 20.

- In 2020, deposit for future stock subscription from a related party was transferred to equity amounting to ₱221,821,275, as disclosed in Note 19.

35. Business Combination

35.01 Acquisition of OBTRI

Greenergy Holdings Incorporated (GHI) acquired Ocean Biochemistry Technology Research, Inc. (OBTRI) a domestic corporation incorporated and registered with the SEC on March 23, 2009 engaged in the business of manufacturing and trading. Pursuant to the Subscription Agreement executed on February 23, 2021 between GHI and OBTRI, GHI shall hold 60% of the total issued and outstanding shares of OBTRI.

OBTRI was acquired to contribute in achieving the vision #GREEN2030 which aims to become a carbon neutral company by the year 2030.

35.03 Asset Acquired and Liabilities Assumed at the Date of Acquisition

Due from related parties	₱3,750,000
Total identifiable asset	**3,750,000**
Trade and other payables	362,149
Due to related parties	695,541
Total identifiable liabilities	**1,057,690**
Net identifiable assets	2,692,310
Non-controlling interests	(625,000)
Goodwill arising from the acquisition (Note 14)	1,682,690
Purchase consideration transferred	**₱3,750,000**

36. Change in Accounting Policy

36.01.01 Property and Equipment – Cost Model to Revaluation Model
The Group believes that the change from cost model to revaluation model will result into a more reasonable valuation of property and equipment.

In prior years, under cost model, subsequent to initial recognition, property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Under revaluation model, property and equipment are subsequently measured at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional appraisers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The change in accounting policy has no impact in 2020 consolidated statement of comprehensive income and on January 1, 2020 retained earnings.

37. Reclassification of Comparative Amounts

Certain amount in the comparative consolidated financial statements and note disclosures have been reclassified to conform to the current year's presentation. The reclassification includes:

Prior Year Classification	Current Year Classification		Amounts
Current Liability	**Equity**		
Deposit for future stock subscription	Deposit for future stock subscription	₱	**221,821,275**
General and administrative expenses	**Cost of sales**		
Depreciation	Depreciation		**4,154,906**

Details of reclassification is as follows:

- Reclassification of deposit for future stock subscription from liability to equity was due to the Parent Company submitting the application and necessary requirements to the SEC for the increase and issuance of capital stock in year 2020.

Management believes that the reclassification resulted to a better presentation of accounts and did not have any impact on prior year's profit or loss and cash flows.

38. Segment Reporting

Business Segments

For management purposes, the Group is organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The industry segments where the Group operates are as follows:

a. The holding segment is engaged in investment holding;
b. The renewal energy segment is engaged in the business and/or operation of renewable energy system and/or harnessing renewable energy resources;
c. The waste management segment is engaged in the business of building, operating and managing waste recovery facilities;
d. The real estate segment is engaged in the business of real estate development and improvement for agri-tourism; and
e. The information technology segment is engaged in the business of software and other communication technology solutions and value-added services arising from or connected to telecommunications.
f. The professional, scientific and technical services segment is engaged in biotechnology with primary focus on development and marketing of medicinal hemp globally.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consists principally of operating cash, receivables, property and equipment andinvestment properties. Segment liabilities include all operating liabilities and consist principally of trade and other payables and loans payable.

Segment Transactions

Segment income, expenses and performance include income and expenses from operations. Intercompany transactions are eliminated in consolidation.

Segment Financial Information

The segment financial information is presented as follows:

	2021								
	Holding	Renewable energy	Waste management	Lease and agri-tourism	Information technology	Professional, Scientific and Technical Services	Business of Manufacturing and Trading	Elimination	Total
Income									
Sale of fruits and vegetables	**₱–**	**₱–**	**₱–**	**₱17,756,439**	**₱–**	**₱–**	**₱–**	**₱–**	**₱17,756,439**
Sale of solar energy	**–**	**6,221,903**	**–**	**–**	**–**	**–**	**–**	**–**	**6,221,903**
Agri-tourism	**–**	**–**	**–**	**6,017,896**	**–**	**–**	**–**	**–**	**6,017,896**
Sale of supplements	**–**	**–**	**–**	**–**	**–**	**286,199**	**–**	**–**	**286,199**
Foreign exchange gain	**3,086**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,086**
Interest income	**783**	**244**	**–**	**207**	**–**	**–**	**–**	**–**	**1,234**
Reversal of impairment	**–**	**–**	**–**	**737,095**	**–**	**–**	**–**	**–**	**737,095**
Unrealized fair value gain	**–**	**–**	**–**	**10,152,565**	**–**	**–**	**–**	**–**	**10,152,565**
	3,869	**6,222,147**	**–**	**34,664,202**	**–**	**286,199**	**–**	**–**	**41,176,417**
Expense									
General and administrative expenses	**(11,651,636)**	**(5,686,845)**	**(67,430)**	**(39,010,543)**	**(67,429)**	**(262,275)**	**(106,257)**	**24**	**(56,852,391)**
Impairment loss	**(1,023,452)**	**–**	**–**	**–**	**–**	**–**	**–**	**1,006,956**	**(16,496)**
Provision for income tax	**1,014**	**(104,936)**	**–**	**(2,607,220)**	**–**	**–**	**–**	**–**	**(2,711,142)**
Net income (loss)	**(12,670,205)**	**430,366**	**(67,430)**	**(6,953,561)**	**(67,429)**	**23,924**	**(106,257)**	**1,006,980**	**(18,403,612)**
Net income (loss) attributable to:									
Equity holders of the Parent Company	**(12,670,205)**	**430,366**	**(34,389)**	**(4,338,327)**	**(34,389)**	**12,201**	**(63,754)**	**1,006,980**	**(15,691,517)**
Noncontrolling interest	**–**	**–**	**(33,041)**	**(2,615,234)**	**(33,040)**	**11,723**	**(42,503)**	**–**	**(2,712,095)**
	(₱12,670,205)	**₱430,366**	**(₱67,430)**	**(₱6,953,561)**	**(₱67,429)**	**₱23,924**	**(₱106,257)**	**₱1,006,980**	**(₱18,403,612)**
Assets and Liabilities									
Segment assets	**₱1,940,746,161**	**₱16,676,655**	**–**	**₱543,225,480**	**₱11,023,070**	**₱5,508,100**	**₱22,812,500**	**(₱340,600,325)**	**₱2,199,391,641**
Segment liabilities	**₱218,740,345**	**₱82,958,663**	**₱233,945,768**	**₱22,516,009**	**₱11,207,497**	**₱5,357,737**	**₱20,226,447**	**(₱313,782,481)**	**₱281,169,985**

	2020							
	Holding	Renewable energy	Waste management	Lease and agri-tourism	Information technology	Professional, Scientific and Technical Services	Elimination	Total
Income								
Sale of solar energy	₱–	₱6,713,476	₱–	₱–	₱–	₱–	₱–	₱6,713,476
Sale of fruits and vegetables	–	–	–	2,162,169	–	–	–	2,162,169
Sale of supplements	–	–	–	–	–	355,466	–	355,466
Rental income	–	–	–	434,838	–	–	–	434,838
Agri-tourism	–	–	–	161,801	–	–	–	161,801
Gain on sale of financial assets at FVOCI	86,578	–	–	–	–	–	–	86,578
Interest income	716	676	–	435	–	–	–	1,827
Reversal of impairment	480,619	15,771	–	4,733,006	–	–	(479,919)	4,749,477
Reversal of payables	116,332	–	–	–	–	–	–	116,332
	684,245	6,729,923	–	7,492,249	–	355,466	(479,919)	14,781,964
Expense								
General and administrative expenses	(3,904,091)	(6,452,707)	(81,475)	(29,400,246)	(61,814)	(230,380)	(676)	(40,131,389)
Impairment loss	(33,301,575)	(204,046)	–	(17,647,758)	–	–	32,779,944	(18,373,435)
Unrealized forex loss	(1,820)	–	–	–	–	–	–	(1,820)
Provision for income tax	(4,057)	(23,066)	–	(13,440)	–	–	–	(40,563)
Net income (loss)	(36,527,298)	50,104	(81,475)	(39,569,195)	(61,814)	125,086	32,299,349	(43,765,243)
Net income (loss) attributable to:								
Equity holders of the Parent Company	(36,527,298)	50,104	(41,552)	(24,687,220)	(31,525)	63,793	32,299,349	(28,874,349)
Noncontrolling interest	–	–	(39,923)	(14,881,975)	(30,289)	61,293	–	(14,890,894)
	(₱36,527,298)	₱50,104	(₱81,475)	(₱39,569,195)	(₱61,814)	₱125,086	₱32,299,349	(₱43,765,243)
Assets and Liabilities								
Segment assets	₱2,366,011,218	₱6,094,576	₱–	₱540,540,715	₱266,170	₱128,622	(₱336,353,990)	₱2,576,687,311
Segment liabilities	₱85,299,711	₱72,806,949	₱233,878,338	₱18,018,719	₱383,169	₱–	(₱310,596,501)	₱99,790,385

	2019						
	Holding	Renewable energy	Waste management	Lease and agri-tourism	Information technology	Elimination	Total
Income							
Sale of fruits and vegetables	₱–	₱–	₱–	₱976,573	₱–	₱–	₱976,573
Rental income	–	–	–	395,307	–	–	395,307
Agri-tourism	–	–	–	669,030	–	–	669,030
Gain on sale of financial assets at FVOCI	–	–	–	220,000	–	–	220,000
Interest income	3,787	255	–	24,875	–	–	28,917
Reversal of payables	8,160,559	91,798	20,123	182,213	–	(182,213)	8,272,480
	8,164,346	92,053	20,123	2,467,998	–	(182,213)	10,562,307
Expense							
General and administrative expenses	(6,098,390)	(309,140)	(98,573)	(33,025,360)	(57,414)	182,213	(39,406,664)
Impairment loss	(23,433,095)	–	–	(11,956,004)	–	7,654,321	(27,734,778)
Unrealized forex loss	(3,931)	–	–	–	–	–	(3,931)
Provision for income tax	(163,211)	(1,836)	(402)	–	–	–	(165,449)
Net loss	(21,534,281)	(218,923)	(78,852)	(42,513,366)	(57,414)	7,654,321	(56,748,515)
Net loss attributable to:							
Equity holders of the Parent Company	(21,534,281)	(218,923)	(40,214)	(26,524,089)	(29,281)	7,654,321	(40,692,467)
Noncontrolling interest	–	–	(38,638)	(15,989,277)	(28,133)	–	(16,056,048)
	(₱21,534,281)	(₱218,923)	(₱78,852)	(₱42,513,366)	(₱57,414)	₱7,654,321	(₱56,748,515)
Assets and Liabilities							
Segment assets	₱3,412,959,641	₱235,680	₱–	₱577,309,605	₱266,170	(₱368,611,546)	₱3,622,159,550
Segment liabilities	₱316,410,377	₱66,998,157	₱233,796,863	₱15,218,415	₱321,355	(₱310,556,511)	₱322,188,656

39. Other Matters

Anti-Money Laundering

On December 15, 2015, the Regional Trial Court of the City of Manila, Branch 53, (the "Court") placed under asset preservation specified bank accounts of (i) Parent Company and (ii) SREDC, a subsidiary of the Parent Company (the "Order"). The Order was predicated solely on the allegation made by the Anti-Money Laundering Council ("AMLC") that multiple transactions involving receipt of inward remittances and inter-branch fund transfers between Parent Company, SREDC, EHI and related corporations were allegedly without any underlying legal or trade obligation, purpose, or economic justification and/or that they were allegedly not commensurate to the business or financial capacity of the parties involved.

On January 22, 2016, the Parent Company and SREDC filed a Motion for Reconsideration of the Order, praying that the same be discharged on the ground that the issuance of the Order had no legal or factual basis, among others.

The rules on confidentiality and sub judice bar the Parent Company from publicly going into the details of the on-going proceedings with the Court; however, the Parent Company wishes to draw attention to the disclosures dated June 30, 2014 and July 1, 2, 3, 7 and 10, 2014 (Material Disclosures) lodged by the Parent Company with the PSE (hence, already public and readily accessible) that would show that the receipts and transmittals involving SREDCs had economic justifications and involved business transactions, which were timely made public.

In an Order dated July 9, 2018 (Order), the RTC categorically ruled that "the funds in the subject accounts of respondent Greenergy et al. are not related to the unlawful activity of violation of R.A. 3019 and R.A. 7080". Thus, the Parent Company and the said bank accounts were "ordered Discharged from the effects of the APO dated December 31, 2015. With the Order, which was immediately executory, the Parent Company regained access and control over the Subject Bank Accounts.

The Office of the Solicitor General filed a *Motion for Reconsideration* (to the Order dated July 9, 2018) dated August 3, 2018 ("Motion"), while the Parent Company and SREDC filed their *Comment/Opposition* (to the Motion for Reconsideration) dated December 11, 2018 oneven date.

On July 1, 2019, the RTC Manila issued the *Order* of even date, denying the Petitioner's *Motionfor Reconsideration* dated August 3, 2019 for lack of merit. In this connection, the Petitioner'has 60 days from its receipt of the said *Order* within which to assail the same through a petition for *certiorari* with the Court of Appeals. As of date however, the Parent Company hasnot yet received any notice that the Petitioner filed such a petition for *certiorari.*

Considering the lapse of the reglementary period to file a petition for certiorari, the Orders dated July 9, 2018 and July 1, 2019 are now final and executory.

As a consequence of the *Order*, the above-mentioned bank account of the Parent Company remains to be discharged from the effects of the APO.

National Labor Relations Commission

On October 4, 2017, SREDC terminated the employment of its security personnel, Mr. George Espinoza (Mr. Espinoza), for repeatedly defying the directives of SREDC regarding his reassignment and for verbally threatening the person who served him the Notice of Termination and the Management of SREDC. On October 10, 2017, SREDC received summons requiring it to appear before the National Conciliation and Mediation Board in Calamba City, Laguna for mandatory conference. Mediation between the parties failed. Consequently, they were required to submit their respective Position Papers on February 7, 2018. Mr. Espinoza demanded either his reinstatement or the payment of separation pay, back wages, damages, and attorney's fees. SREDC countered that Mr. Espinoza was dismissed for just causes, i.e. insubordination and serious misconduct, and withdue process, therefore he is not entitled to reinstatement, separation pay, back wages, or any other money claim.

On March 7, 2018, the parties filed Replies to each other's Position Paper. On March 30, 2018, in its Decision of even date, the Labor Arbiter dismissed the charges for illegal dismissal. However, the Labor Arbiter also held that there was a failure to observe due process. Hence, nominal damages amounting to ₱30,000 was awarded to Mr. Espinoza. In addition, the Labor Arbiter also awarded the amount of ₱88,398 representing Mr. Espinoza's purported wage differential.

On December 7, 2018, Mr. Espinoza filed his Notice & Memorandum of Appeal of even date, appealing the Labor Arbiter's finding of a valid dismissal. Meanwhile, on December 10, 2018, SREDC also filed its Memorandum of Partial Appeal of even date, appealing the monetary awards to Mr. Espinoza.

On April 30, 2019, the National Labor Relations Commission (NLRC) 5th Division promulgateda Decision of even date, thereby modifying the earlier Decision dated March 30, 2018 of theLabor Arbiter. The NLRC otherwise declared that Mr. Espinoza was illegally dismissed. Accordingly, SREDC was directed to reinstate Mr. Espinoza to his previous position or to an equivalent position with payment of back wages provisionally computed at ₱209,637. The NLRC also affirmed the award of salary differentials, which was recomputed at ₱64,942 from September 20, 2014. Thereafter, SREDC sought the reconsideration of the Decision dated March 30, 2018, but the same was denied. On September 17, 2019, the NLRC promulgated a Resolution of even date, thereby denying SREDC's Motion for Reconsideration datedJune 28, 2019.

On February 4, 2020, Mr. Espinoza filed a Motion for Execution of the Decision dated April 30, 2019 of the NLRC before the Labor Arbiter in the NLRC Regional Arbitration Branch IV, Calamba City. On March 3, 2020, a pre-execution conference was conducted by the Labor Arbiter, wherein SREDC requested for time to file its opposition to Mr. Espinoza's Motion.

On March 12, 2020, SREDC filed its Opposition of even date. Another pre-execution conference was set on 31 March 2020. However, with the Enhanced Community Quarantine(ECQ) due to COVID-19 being implemented by the National Government at that time, the said conference was cancelled. To date, the resetting of the foregoing pre-execution conference is yet to be set by the Labor Arbiter. Likewise, the resolution of Mr. Espinoza's Motion for Execution remains to be pending.

In the meantime, on December 20, 2019, SREDC filed its Petition for Certiorari (with Application for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction) dated December 20, 2019 before the Honorable Court of Appeals. After receivingthe pleadings and submissions from SREDC and from Mr. Espinoza, the Court of Appeals issued a Decision on March 5, 2021, thereby giving due course to SREDC's Petition. In the said Decision, the Court of Appeals, among others, set aside the earlier decisions of the labortribunals and ordered Mr. Espinoza to return to work. On May 24, 2021, the SREDC filed a Motion for Partial Reconsideration dated May 13, 2021. Likewise, on November 18, 2021, the SREDC received a copy of Mr. Espinoza's Motion for Reconsideration dated April 27, 2021.

On November 18, 2021, SRED received the *Resolution* of the Court of Appeals dated October 20, 2021 directing the parties to file their respective comments within ten (10) days from receipt of the said *Resolution*. On November 26, 2021, SRED file a *Motion for Extension to File Comment*. On December 9, 2021, SRED filed its Comment *[Re: Mr. Espinoza's Motion for Reconsideration dated April 27, 2021]*.

To date, SRED is still waiting for the Resolution of the Court of Appeals.

REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
No. 54 National Road,
Dampol II-A, Pulilan,
Bulacan

We have issued our report dated May 10, 2022 on the basic consolidated financial statements of **GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES** as of and for the year ended December 31, 2021. Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of **GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES** taken as a whole. The information in Index to the Consolidated Financial Statements and Supplementary Schedules as of and for the year ended December 31, 2021, which is not a required part of the consolidated financial statements, is required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES** The information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until May 28, 2024
SEC Group A Accredited
Accreditation No. 0300-SEC
Valid until 2024 audit period
BSP Group B Accredited
Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2020
Valid from February 24, 2020 until February 23, 2023
IC Accreditation No. F-2019-004-R
Valid until October 1, 2022

REAN G. ABALOS
Partner
CPA Certificate No. 126203
SEC Group A Accredited
Accreditation No. 1781-A
Valid until September 23, 2022
BIR Accreditation No. 08-007679-002-2020
Valid from October 20, 2020 until October 19, 2023
Tax Identification No. 271-226-260
PTR No. 8855244
Issued on January 5, 2022 at Makati City

May 10, 2022
Makati City, Metro Manila

R.S. Bernaldo & Associates is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
INDEX TO THE SEPARATE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2021

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Schedule I

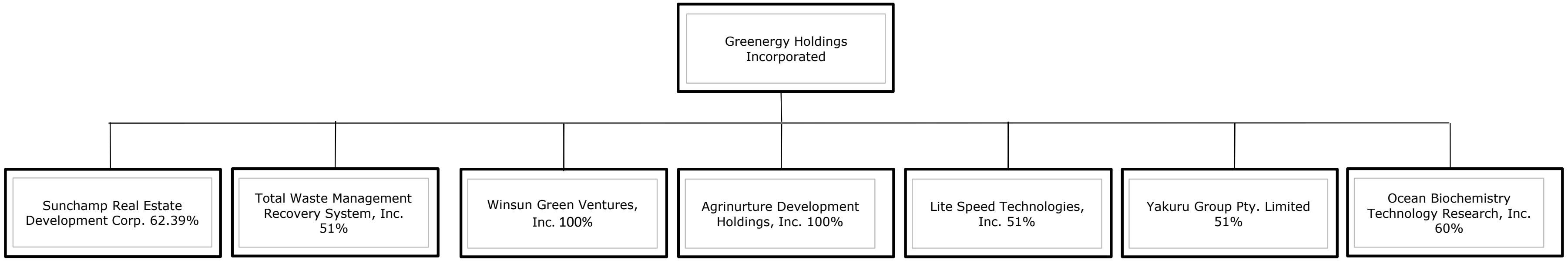
GREENERGY HOLDINGS INCORPORATED
SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2021

Unappropriated Retained Earnings, Beginning	**₱**	**1,627,011,353**
Net loss based on the face of audited financial statements		(12,609,405)
Unappropriated Retained Earnings, Ending	**₱**	**1,614,401,948**

Note: The presentation of reconciliation of retained earnings is based on Financial Reporting Bulletin No. 14 dated January 24, 2013.

Schedule II

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
MAP SHOWING RELATIONSHIPS BETWEEN AND AMONG PARENT, SUBSIDIARIES, AN ASSOCIATE, AND JOINT VENTURE
DECEMBER 31, 2021



GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
Schedule A – Financial Assets
DECEMBER 31, 2021

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet	Income accrued
Agrinurture, Inc.	1,074,337,359	1,074,337,359	None

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
DECEMBER 31, 2021

Receivables	
Stockholders	617,180,870
Under common control	5,948,433
	623,129,303

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
Schedule C - Receivable from Related Parties which are eliminated during the consolidation of financial statements
DECEMBER 31, 2021

	2021						
	Payables						
	TWMRSI	**WGVI**	**SREDC**	**ADHI**	**LSTI**	**YGPL**	**Total**
Receivable:							
GHI	233,563,167	65,470,480	10,747,882	261,020	1,025,195	1,726,580	312,794,324
WGVI	120,870						120,870
	233,684,037	65,470,480	10,747,882	261,020	1,025,195	1,726,580	312,915,194

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
Schedule D - Intangible Assets - Other Assets
DECEMBER 31, 2020

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
Goodwill	-	1,682,690	-	-	-	**1,682,690**
Computer software	-	840,129	-	-	-	**840,129**
Total	**-**	**2,522,819**	**-**	**-**	**-**	**2,522,819**

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
Schedule D - Long-Term Debt
DECEMBER 31, 2021

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt' in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rate %	Maturity Date

None to Report

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
Schedule E - Indebtedness to Related Parties
(Included in the consolidated financial statement of position)
DECEMBER 31, 2021

Payables	
Stockholders	104,116,363
Under common control	164,405,213
	268,521,576

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
Schedule F- Guarantees of Securities of Other Issuers
DECEMBER 31, 2021

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding	Amount owned by person of which statement is filed	Nature of guarantee

None to Report

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
Schedule G - Capital Stock
DECEMBER 31, 2021

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Preferred shares - P.10 par value	1,000,000,000	1,000,000,000		1,000,000,000		
Common stock - 1 par value	4,900,000,000	1,939,099,849		234,321,275	207,778,560	1,497,000,014

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
For the Years Ended December 31, 2021 and 2020

		2021	2020
A.	**SHORT-TERM LIQUIDITY RATIO**		
	CURRENT RATIO	3.18	9.53
	Current Assets	881,061,284	950,760,894
	Current Liabilities	276,918,164	99,790,385
	WORKING CAPITAL TO ASSETS	0.27	0.33
	(Current Assets - Current Liabilities)	604,143,120	850,970,509
	Total Assets	2,199,391,641	2,576,687,311
B.	**LONG-TERM SOLVENCY**		
	ASSET TO EQUITY	1.15	1.04
	Total Asset	2,199,391,641	2,576,687,311
	Shareholders' Equity	1,918,221,656	2,476,896,926
	DEBT TO EQUITY	0.15	0.04
	Total Liabilities	281,169,985	99,790,385
	Shareholders' Equity	1,918,221,656	2,476,896,926
	LONG-TERM DEBT TO EQUITY	0.00	-
	Long-Term Debt	4,251,821	-
	Shareholders' Equity	1,918,221,656	2,476,896,926
	FIXED ASSETS TO EQUITY	0.08	0.06
	(Fixed Assets - Accumulated Depreciation)	148,618,343	147,952,985
	Shareholders' Equity	1,918,221,656	2,476,896,926
	CREDITORS EQUITY TO TOTAL ASSETS	0.13	0.04
	Total Liabilities	281,169,985	99,790,385
	Total Assets	2,199,391,641	2,576,687,311
	FIXED ASSETS TO LONG-TERM DEBT	34.95	-
	(Fixed Assets - Accumulated Depreciation)	148,618,343	147,952,985
	Long-Term Debt	4,251,821	-

C.	**RETURN ON INVESTMENTS**		
	RATE OF RETURN ON TOTAL ASSETS	(0.01)	(0.01)
	Net Loss	(18,403,612)	(43,765,243)
	Average Total Assets	2,388,039,476	3,099,423,431
	RATE OF RETURN ON EQUITY	(0.01)	(0.02)
	Net Loss	(18,403,612)	(43,765,243)
	Average Stockholders' Equity	2,197,559,291	2,888,433,910
D.	**PROFITABILITY RATIOS**		
	GROSS PROFIT RATIO	0.26	(0.30)
	Gross Income	8,010,401	(2,966,195)
	Revenues	30,282,437	9,827,750
	OPERATING INCOME TO REVENUES	(0.88)	(3.08)
	Income from Operations	(26,563,324)	(30,281,431)
	Revenues	30,282,437	9,827,750
	PRETAX INCOME TO REVENUES	(0.52)	(4.45)
	Pretax Income	(15,692,470)	(43,724,680)
	Revenues	30,282,437	9,827,750
	NET INCOME TO REVENUE	(0.61)	(4.45)
	Net Income	(18,403,612)	(43,765,243)
	Revenues	30,282,437	9,827,750
E.	**INTEREST COVERAGE RATIO**		
	INTEREST COVERAGE RATIO	NA	NA