C O V E R   S H E E T

SEC Registration Number

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C O M P A N Y   N A M E

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
1 7 Q 2	M S R D	N / A

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

Company's Email Address	Company's Telephone Number	Mobile Number
greenergy@ghi.com.ph	(02) 8997-5184	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,024	Second Friday of June	DECEMBER 31

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
Mr. Kenneth S. Tan	kenneth.tan@ghi.com.ph	(02) 8997-5184	N/A

CONTACT PERSON'S ADDRESS

54 National Road, Dampol II-A, Pulilan, Bulacan

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.*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1.	For the quarterly period ended	:	**30 June 2022**
2.	SEC Identification Number	:	**AS092-000589**
3.	BIR Tax Identification Number	:	**001-817-292**
4.	Exact name of Registrant as specified in its charter	:	**Greenergy Holdings Incorporated**
5.	Province, Country or other Jurisdiction on incorporation or organization	:	**Philippines**
6.	Industrial Classification Code	:	**(SEC Use Only)**
7.	Address of Principal Office	:	**54 National Road, Dampol II-A Pulilan, Bulacan**
8.	Issuer's Telephone No. including area code	:	**(02) 8997-5184**
9.	Former name of the Company	:	**Not applicable**

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

Title of Each Class	Number of Shares of Stock Outstanding and Amount of Debt Outstanding[1]
Common	2,600,778,574
Preferred	1,000,000,000
Amount of Debt Outstanding:	P218,562,390

11. Are any or all of these securities listed on the Philippine Stock Exchange

Yes [**x**]   No [ ]

The Issuer has 1,009,528,562 shares listed in the Philippine Stock Exchange.

[1] As of 30 June 2022

12. Indicate by check mark whether the registrant:

a. Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 41 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such report).

Yes [**x**] No [ ]

b. Has been subject to such filing requirement for the past 90 days.

Yes [**x**] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The audited consolidated financial statements of Greenergy Holdings Incorporated and subsidiaries as of and for the period ended June 30, 2022 (with comparative figures as of 31 December 2021 and for the period ended 30 June 2021) are filed as part of this SEC Form 17-Q as Annex "A".

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the attached unaudited consolidated financial statements of Greenergy Holdings Incorporated and subsidiaries as of and for the period ended 30 June, 2022.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Interim 2nd quarter

Balance Sheet

Cash and cash equivalent amounted to ₱9.64 million as at June 30, 2022 from ₱3.17 million consolidated at December 31, 2021. The increase in cash is due increase in cash sales during the quarter.

Receivables increased to ₱252.70 million in June 30, 2022 from ₱252.49 million as of December 31,2021 mainly due to increase in sales during the quarter.

Due from related parties decreased to ₱567.54 million in June 30, 2022 from ₱623.13 million consolidatedat December 31, 2021 as a result of liquidation and collections during the quarter.

Financial assets at fair value through other comprehensive income remain as at June 30, 2022.

Property and equipment, decreased to ₱132.81 million in June 30, 2022 from ₱139.04 million as at December 31, 2021 mainly due to depreciation.

Trade and Other Payables decreased to ₱5.84 million in June 30, 2022 compared to the December 31, 2021 amounting to ₱8.24 million due to payments of payables during the quarter.

Non-controlling interest increased to ₱98.92 million in June 30, 2022 from ₱96.26 million as at December 31, 2021 due to net income results of the operations of subsidiaries under common control.

Income Statement

Revenue recorded for the first six (6) months of 2022 is ₱ 41.14 million, which includes operation of renewable energy project, agri-tourism revenue and biotechnology income P 14.96 million higher than the second quarter of 2021.The increase is due to harvest of fruits and vegetables on the first two quarter of 2022.

Expenses such as contractual services, utilities, repairs and maintenance, materials and supplies, transportation, legal and professional and taxes and licenses increased by ₱ 2.88 million during the 2nd quarter of 2022 as compared to 2nd quarter of 2021.

As a result of the above, the Company had a Consolidated Operating Income of ₱1.72 million for the period June 30, 2022.

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 and information technology.

The Group 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. With these investments, the management of the Group assessed that the going concern assumption remains to be appropriate as the Group continues to generate sufficient cash flows to sustain operations and complete its current and future plans.

SIGNATURES

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

Issuer	**GREENERGY HOLDINGS INCORPORATED**
Signature and Title	**ANTONIO L. TIU** Chairman
Date	August 12, 2022
Signature and Title	**DAVE ALMARINEZ** President / CEO
Date	August 12, 2022
Signature and Title	**KENNETH S. TAN** Treasurer/CFO
Date	August 12, 2022

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(With Comparative Figures as of December 31, 2021)

(Amounts in Philippine Pesos)

	Notes	2022	2021
ASSETS			
Current Assets			
Cash	6	**9,641,276**	3,174,413
Trade and other receivables – net	7	**252,703,908**	252,493,907
Due from relates parties – net	16	**567,539,956**	623,129,303
Inventories		**1,937,975**	2,019,783
Other current assets – net	9	**1,278,985**	243,878
Total Current Assets		**833,102,100**	881,061,284
Noncurrent Assets			
Deposit for land acquisition	8	**19,600,000**	19,600,000
Financial assets at fair value through other comprehensive income (FVOCI)	10	**1,074,337,359**	1,074,337,359
Property and equipment – net	12	**132,809,327**	139,037,964
Intangible assets		**2,567,170**	2,522,819
Investment properties – net	13	**7,057,560**	7,057,560
Biological assets	10	**8,537,506**	14,513,155
Advances to projects		**60,504,600**	61,261,500
Total Noncurrent Assets		**1,305,413,522**	1,318,330,357
		2,138,515,622	2,199,391,641
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	14	**5,844,165**	8,240,287
Due to related parties	16	**208,623,794**	268,521,576
Income tax payable	21	**283,113**	156,301
Total Current Liabilities		**214,751,072**	276,918,164
Noncurrent Liability			
Deferred tax liability		**3,811,318**	4,251,821
Total Liabilities		**218,562,390**	281,169,985
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	17	**1,939,099,849**	1,939,099,849
Preferred – P0.10 par value			
Authorized and subscribed – 1,000,000,000 shares	17	**100,000,000**	100,000,000
Additional paid-in capital	17	**283,715,531**	283,715,531
Revaluation surplus	12	**5,141,038**	5,141,038
Cumulative fair value gain (loss) on financial assets at FVOCI	11	**(2,214,830,598)**	(2,214,830,598)
Retained earnings		**1,707,904,774**	1,708,835,948
Foreign currency translation reserve		**5,728**	(2,210)
		1,821,036,322	1,821,959,558
Non-controlling interests	23	**98,916,909**	96,262,098
Total Equity		**1,919,953,231**	1,918,221,656
		2,138,515,621	2,199,391,641

See Accompanying Notes to Consolidated Financial Statements

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS-ENDED JUNE 30, 2022 AND 2021

(Amounts in Philippine Pesos)

	Notes	For the Quarter-ended June 30 2022	2021	For the Six months-ended June 30 2022	2021
REVENUES	18	**19,975,333**	14,667,345	**41,136,721**	26,177,643
COST OF SALES	18	**14,852,863**	7,822,718	**25,690,584**	14,045,148
GROSS INCOME		**5,122,470**	6,844,627	**15,446,137**	12,132,495
GENERAL AND ADMINISTRATIVE EXPENSES	20	**(4,973,244)**	(6,391,875)	**(13,502,238)**	(11,398,136)
OPERATING INCOME		**149,226**	452,752	**1,943,899**	734,359
INCOME (CHARGES) – net					
Unrealized fair value gain	16	**50,324**	-	**50,324**	-
Foreign exchange gain (loss)	6	**12,382**	84	**12,383**	547
Interest income	6	**75**	471	**146**	769
		62,782	556	**62,852**	1,317
INCOME BEFORE INCOME TAX		**212,008**	453,307	**2,006,751**	735,675
INCOME TAX EXPENSE	21	**(50,467)**	(51,408)	**283,113**	126,065
NET INCOME		**262,475**	504,716	**1,723,638**	609,610
OTHER COMPREHENSIVE INCOME (OCI)					
Not reclassified subsequently to profit or loss					
TOTAL COMPREHENSIVE INCOME		**262,475**	504,716	**1,723,638**	609,610
NET INCOME ATTRIBUTABLE TO:					
Equity holders of the Parent Company		**(322,189)**	336,698	**(931,173)**	441,592
Non-controlling interest		**584,663**	168,018	**2,654,811**	168,018
		262,474	504,716	**1,723,638**	609,610
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Equity holders of the Parent Company		**(322,189)**	336,698	**(931,173)**	441,592
Non-controlling interest		**584,663**	168,018	**2,654,811**	168,018
		262,474	504,716	**1,723,638**	609,610
EARNINGS PER SHARE		**(0.00)**	0.00	**(0.00)**	0.00

See Accompanying Notes to Consolidated Financial Statements

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS-ENDED JUNE 30, 2022 AND 2021

(Amounts in Philippine Pesos)

	Notes	2022	2021
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		**2,600,778,574**	1,800,778,572
Issued during the year			1
Balance at end of year		**2,600,778,574**	1,800,778,573
Subscriptions receivable			
Balance at beginning of year		**(661,678,725)**	(97,500,000)
Collections during the year		**-**	1,500,000
Balance at end of year		**(661,678,725)**	(96,000,000)
Common stock net of subscription receivable	17	**1,939,099,849**	1,704,778,573
Preferred – P0.10 par value per share			
Issued	17	**100,000,000**	100,000,000
		2,039,099,849	1,804,778,573
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of year		**283,715,531**	268,090,531
Additions during the year		**-**	-
Balance at end of year	17	**283,715,531**	268,090,531
REVALUATION SURPLUS			
Balance at beginning of year		**5,141,038**	-
Other comprehensive income		**-**	-
Balance at end of year	12	**5,141,038**	-
CUMULATIVE FAIR VALUE LOSS ON FINANCIAL ASSET AT FVOCI			
Balance at beginning of year		**(2,214,830,598)**	(638,038,377)
Unrealized loss during the year			(1,002,631,734)
Balance at end of year	10	**(2,214,830,598)**	(1,640,670,111)
RETAINED EARNINGS			
Balance at beginning of year		**1,708,835,948**	1,723,517,851
Net loss during the year		**(931,173)**	(327,791)
Balance at end of year		**1,707,904,775**	1,723,190,060
FOREIGN CURRENCY TRANSLATION RESERVE			
Balance at beginning of year		**(2,210)**	-
Exchange differences during the year		**7,938**	-
Balance at end of year		**5,728**	-
NON-CONTROLLING INTERESTS			
Balance at beginning of year		**96,262,098**	97,926,117
Net loss during the year		**2,654,811**	937,401
Balance at end of year	23	**98,916,909**	98,863,518
		1,919,953,232	2,254,252,571

See Accompanying Notes to Consolidated Financial Statements

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS-ENDED JUNE 30, 2022 AND 2021

(Amounts in Philippine Pesos)

	Notes	**2022**	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**2,006,751**	735,675
Adjustments for:			
Depreciation and amortization	12,20	**6,271,308**	6,439,069
Interest income	6	**(146)**	(769)
Unrealized foreign exchange loss (gain)	6	**(12,383)**	(547)
Fair value gain of biological assets	16	**(50,324)**	-
Operating income before working capital changes		**8,215,207**	7,173,428
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Trade and other receivables		**(210,001)**	(3,722,613)
Other current assets		**(1,035,107)**	(17,456)
Inventories		**81,808**	-
Increase (decrease) in trade and other payables		**(2,396,121)**	(2,434,311)
Cash used in operations		**4,655,786**	999,048
Interest received		**146**	769
Income taxes paid		**(156,301)**	(27,124)
Net cash provided by (used in) operating activities		**4,499,631**	972,693
CASH FLOWS FROM INVESTING ACTIVITIES			
Collections from related parties	19	**55,589,347**	145,076,121
Additions to intangible assets	14	**(44,351)**	-
Decrease in biological assets	12	**5,585,469**	-
Proceeds from sale of property and equipment	12	**(42,671)**	(69,898)
Advances to project		**756,900**	-
Additions to financial assets at FVOCI	11	**-**	(61,300,000)
Net cash provided by (used in) investing activities		**61,844,694**	83,706,223
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to related parties	16	**(59,897,782)**	(2,321,930)
Net cash used in financing activities		**(59,897,782)**	(2,321,930)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH		**20,320**	547
NET INCREASE (DECREASE) IN CASH		**6,466,863**	82,357,533
CASH AT BEGINNING OF YEAR		**3,174,413**	2,784,168
CASH AT END OF YEAR		**9,641,276**	85,141,701

See Accompanying Notes to Consolidated Financial Statements

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Philippine 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 Incorporationto change the registered name to Greenergy Holdings Incorporated. The Parent Company's shares are publicly-listed in the Philippine Stock Exchange (PSE).

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 the same 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 the corporation shall not 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 project 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.

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 2022	2021
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)	**62.39%**	62.39%
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%**	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 diversifiedindustries 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 acquisitionby 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 ParentCompany 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 areconnected to the operations of said business. It has a Type "C" E-Money Issuer license issued by the Bangko Sentral ng Pilipinas ("BSP") 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 November15, 2021.Subsequently, on November 15, 2021, the Parent Company and ABS-CBN agreed to further extend the closing date to December 15, 2021 and then to March 31, 2022 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

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 June 30, 2022, 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 Parent 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 a subscription 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% of the 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 the Parent 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 ₱32,549,774. In 2021, reversal on impairment loss amounted to ₱39,800,820.

<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 ₱66,282,008 and ₱66,712,374

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.

TWMRSI

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.

ADHI

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.

LSTI

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.

YGPL

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 ParentCompany to include biotechnology. YGPL is a proprietary company limited by shares. YGPLstarted its operations in the last quarter of 2020 and shall venture into biotechnology with primary focus on development and marketing of medicinal hemp globally.

OBTRI

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

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis except for financial asset at fair value through other comprehensive income (FVOCI) which is measured at fair value. The Group presents all items of income and expenses in a single statementof comprehensive income. These consolidated financial statements and notes are presented in Philippine

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.

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 considersall 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 thereare changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group and ceaseto 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 recognizedin other comprehensive income in relation to the subsidiary on the same basis as would be requiredif 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 financial statements of the subsidiaries are prepared for the same reporting year as the Group using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other membersof the Group.

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

Noncontrolling interest represents the portion of profit or loss and the net assets not held by the 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 assetsacquired is recognized as an equity transaction.

2. 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.

New and Revised PFRSs Applied with No Material Effect on the Consolidated Financial Statements

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.

New and Revised PFRSs in Issue but Not Yet Effective

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.

Standard Adopted by FRSC and Approved by the Board of Accountancy (BOA)

- 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

<u>Amendments to PFRS 16, *Lease Incentives*</u> - 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.

<u>Amendments to PAS 41, *Taxation in fair value measurements*</u> - 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 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.

<u>*Deferred*</u>

- 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.

3. Summary of Significant Accounting and Financial Reporting Policies

The principal accounting and financial reporting policies adopted in preparing the financial statements of the Group are summarized below and in the succeeding pages the policies have been consistently applied to all years presented unless otherwise stated.

<u>Current and Noncurrent Classification</u>
The Group presents assets and liabilities in the statements of financial position based on current or noncurrent classification.

An asset is current when it is:
- expected to be realized or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized within twelve months after the reporting period,
- expected to be settled on demand, or

All other assets are classified as noncurrent. Deferred tax assets are classified as noncurrent assets.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period,
- it is expected to be settled on demand, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are considered noncurrent. Deferred tax liabilities are classified as noncurrent liabilities.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured 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 nonfinancial 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.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Day 1 Difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variable include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a Day 1 difference) in the statements of comprehensive income unlessit qualifies for comprehensive income (loss) when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

Financial Assets and Liabilities

Date of recognition

The Group recognizes a financial asset or liability in the statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way to purchase or sale of financial assets, recognition and derecognition, as applicable, is done using the settlement date accounting.

Initial recognition

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

Determination of fair value

Fair value is determined by preference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value model where the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rates of interest for a similar instrument with similar maturities. Other valuation techniques include comparing to similar instruments for which market observable prices exist; recent arm's length market transaction; option pricing model and other relevant valuation models.

Classification of financial assets

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

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

Financial assets at FVOCI

Financial assets at FVOCI comprise:

- Equity instruments

  Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to be recognized in this category. These are strategic investments and the Group considers this classification to be more relevant. Gains and losses on these financial assetsare never recycled to profit or loss.

  Dividends are recognized as other income in the statements of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

  The Group classifies its investment in shares of stocks as financial asset at FVOCI as at June 30, 2022 and December 31, 2021 (see Note 10).

- Debt instruments

  Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statements of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group has no debt instruments at FVOCI as at June 30, 2022 and December 31, 2021.

Financial assets at FVPL
The Group classifies the following financial assets at FVPL:

- debt investments that do not qualify for measurement at either amortized cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognize fair value gains and losses through OCI.

Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognized in the statements of comprehensive income. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognized as other income in the statements of profit or loss when the right of payment has been established.

The Group has no financial assets at FVPL as at June 30, 2022 and December 31, 2021.

Financial assets at amortized cost
The amortized cost of a financial asset is the present value of future cash receipts discounted at the effective interest rate. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectible.

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

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

This classification includes the Group's cash and cash equivalent, nontrade receivables and due from related parties as June 30, 2022 and December 31, 2021 (see Notes 6, 7 and 18).

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

<u>Subsequent measurement of financial assets</u>

- Debt instruments
  There are three measurement categories into which the Group classifies its debt instruments:

  - *Amortized cost:* Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses, if any, are presented as separate line item in the statements of profit or loss. Short-term receivables with no stated interest rate are measured at their invoice amounts or expected amounts of settlement without discounting, when the effect of not discounting is immaterial.

- *FVOCI:* Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains or losses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains or losses and impairment expenses are presented as separate line item in the statements of profit or loss.

- *FVPL:* Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains and losses in the period in which it arises.

- Equity instruments

  The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

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

In measuring ECL, the Group must reflect:
- An unbiased evaluation of a range of possible outcomes and their probabilities of occurrence;
- Discounting for the time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

The Group may apply the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the trade receivable and contract assets, if any. It also allows the Group to use a simplified "provision matrix" for calculating expected losses. The provision matric is based on the Group's historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Forward-looking information are considered as economic inputs, such as gross domestic product (GDP) or gross national income (GNI), exchange rate, interest rate, inflation rate and other economic indicators.

For cash in banks and cash equivalent, nontrade receivables and due from related parties, the Group applies the general approach in calculating ECLs. The Group recognizes a loss allowance based on ether credit risk on its cash in banks, nontrade receivables and due from related parties since initial recognition.

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Classification and subsequent measurement of financial liabilities

The Group classifies its financial liabilities in the following categories:

- *Financial Liabilities at FVPL*
  Financial liabilities are classified in this category if these result from trading activities or derivativestransactions that are not accounted for as accounting hedges, or the Group elects to designate a financial liability under this category. Financial liabilities at FVPL are measured at fair value and net gains and losses, including interest expense, are recognized in profit or loss.

  As at June 30, 2022 and December 31, 2021, the Group has no financial liabilities at FVPL.

- *Financial liabilities at amortized cost*
  This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon inception of the liability. These include liabilities arising from operations (e.g. payablesexcluding statutory regulated payables) or borrowing (e.g. long-term debt). The financial liabilitiesare initially recorded at fair value less directly attributable transaction costs.

  After initial recognition, other financial liabilities are subsequently measured at amortized cost using effective interest method. These include liabilities arising from operations and borrowings. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gainsand losses on derecognition are also recognized in profit or loss.

  As at June 30, 2022 and December 31, 2021, this category includes the Group's trade and other payables and due to related parties (see Notes 17 and 18).

Short-term payables with no stated interest rate are measured at their invoice amounts or expected amounts of settlement without discounting, when the effect of not discounting is immaterial.

The classification depends on the purpose for which the financial liabilities are acquired and whether they are quoted in an active market. Management determines the classification at initial recognition and, where allowed and appropriate, reevaluates this classification at every reporting date.

Derecognition of Financial Instruments

Financial assets

A financial asset is derecognized when (1) the rights to receive cash flows from the financial instruments expire, (2) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through"arrangement, or (3) the Group has transferred its rights to receive cash flows from the asset and eitherhas transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

On disposal of debt investments, any related balance within the FVOCI reserve is reclassified to profitor loss. On disposal of equity investments, any related balance within the FVOCI reserve is reclassifiedto retained earnings.

Financial Liabilities

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

<u>Classification of Financial Instrument between Debt and Equity</u>
Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest relating to a financial instrument or a component that is a financialliability is reported as expenses.

A financial instrument is classified as debt if it provides for a contractual obligation to:
(a) deliver cash or another financial asset to another entity; or (b) exchange financial assets or financialliabilities with another entity under conditions that are potentially unfavorable to the Group; or (c) satisfy the obligation other than by exchange of a fixed amount of cash or other financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset tosettle its contractual obligation, the obligation meets the definition of a financial liability.

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

<u>Cash and Cash Equivalent</u>
Cash pertains to cash on hand and in banks which are stated at face value. Cash equivalent are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of change in value. These are initially recognized at face value and are subsequently measured at amortized cost (undiscounted amount to be received less any impairment).

Advances for Waste Recycling Project
Advances for waste recycling project are initially recorded at cost and subsequently stated at cost lessany 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 theircompletion and put into operation.

Advances to Officers and Employees
Advances represent amount advanced to officers and employees for business expenses subject for liquidation on which future economic benefits are expected to flow to the Group within the normal operating cycle or within 12 months form the end of financial reporting period. These are initially recorded at actual cash advanced to officers and employees and are subsequently applied against actual purchases of related assets, costs or expenses incurred.

Other Current Assets
This account comprises the following:

- *Prepayments* are costs and expenses which are paid in advance of actually incurring them and regularly recurring in the normal course of the business. Prepaid expenses are initially recorded at actual amount paid for expenses and are amortized as the benefits of the payments are receivedby the Group and are charged to expense in the applicable period of expiration.

- *Input value added tax (VAT)* represents VAT imposed on the Group by its suppliers for the acquisition of goods and services as required by the Philippine taxation laws and regulations. Input VAT is presented as current asset and will be used to offset against the Group's current output VAT liabilities, if any. Input VAT is initially recognized at cost (actual amount paid for) andsubsequently stated at its net recoverable amount (unutilized amount of input VAT less impairment). Input VAT that is considered not recoverable permanently is derecognized and written-off to expense.

Advances for Waste Recycling Project

Advances for waste recycling 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.

Deposits for Land Acquisition
Deposit for land acquisition mainly represents usufruct rights over a property. This is initially recordedat the cash amount deposited and subsequently stated at cost, less impairment losses, if any.

Investment in Associate
Investment in associate (Investee Company) is accounted for under the equity method of accounting.An associate is an entity in which the Group holds 20% or more ownership or, has the ability to significantly influence the Investee Company's operating activities. An investment is accounted for using the equity method from the day it becomes an associate.

On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the Investee Company's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized.Any excess of the investor's share of the net fair value of the Investee Company's identifiable assets,liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is included as income in the determination of the share in the earningsof the Investee Company.

Under the equity method, the investments in the Investee Company are carried in the consolidated statements of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the Investee Company, less any impairment in values. The consolidated statements of comprehensive income (loss) reflect the share of the results of the operations of the Investee Company. The Group's share of post-acquisition movements in the Investee Company's equity reserves is recognized directly in equity. Equity in net losses of an associate is recognized only up tothe extent of acquisition costs. Equity in net income of an associate is not available for dividends declaration until actually received.

Profits and losses resulting from transactions between the Group and the Investee Company are eliminated to the extent of the interest in the investee company and for unrealized losses to the extentthat there is no evidence of impairment of the asset transferred. Dividends received are treated as areduction of the carrying value of the investment.

The Group shall discontinue the use of the equity method from the date when it ceases to have significant influence over an associate and shall account for the retained investment in accordance with PFRS 9 from that date, provided the associate does not become a subsidiary or a joint venture as defined in PAS 31. On the loss of significant influence, the Group shall measure at fair value any investment the investor retains in the former associate.

The Group shall recognize in profit or loss any difference between:

a. The fair value of any retained investment and any proceeds from disposing of the part interest inthe associate; and
b. The carrying amount of the investment at the date when significant influence is lost.

When an investment ceases to be an associate and is accounted for in accordance with PFRS 9, the fair value of the investment at the date when it ceases to be an associate shall be recognized as its fair value on initial recognition as a financial asset in accordance with PFRS 9.

If the Group loses significant influence over an associate, the associate shall account for all amountsrecognized in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by an associate would bereclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significantinfluence over the associate.

If a Group's ownership interest in an associate is reduced, the investor shall reclassify to profit or loss only a proportionate amount of the gain or loss previously recognized in other comprehensive income.

The reporting dates of the associate and the Group are identical and the associate's accounting policies
conform to those used by the Group for like transactions and events in similar circumstances.

Biological Assets and Agricultural Produce

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

The Group measures its biological assets at cost on initial recognition and at fair value less estimatedcosts to sell at the end of each reporting date. The Group uses the income approach, particularly thepresent value method, in computing for the fair value of the biological assets. This approach reflectsthe expectations about the cash flows from the biological assets from reporting period date to harvestperiod. The fair value measurement is categorized at level 2, which uses inputs that are not based on observable market data. The cash inflow would typically be the present value of the forecasted gross revenue from sale of harvested biological assets, which is a function of the price, expected production and the applicable discount rate given the nature of the biological assets. The forecasted gross revenue will be reduced by the forecasted costs, which will be the incremental, cost to sell andspoilage costs. The excess of the forecasted gross revenue over the forecasted costs will be the fairvalue of the biological assets. Cost to sell are the incremental costs directly attributable to the disposal of the agricultural produce, excluding finance costs and income taxes. Subsequent gains or losses arising from changes in fair value less cost to sell of the assets, resulting from fluctuations in population, growth, price and other factors, are credited or charged to profit or loss for the period. Costs incurred in maintaining or enhancing the biological assets are recognized as expenses when incurred.

Gains or losses arising from the changes in fair value less estimated point-of-sale costs of a biologicalasset are included in the Group's statements of comprehensive income (loss) for the period in whichthey arise.

Investment Properties

Investment property pertains to properties held for capital appreciation. These are initially recordedat cost, including transaction cost. 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 thecontinued use of the properties. Any gain or loss on the retirement or disposal of said properties arerecognized in the statements of 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 inuse, evidenced by: (a) commencement of owner-occupation, for a transfer from investment propertyto 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 properties are measured at the carrying valueof the assets transferred.

Property and Equipment

Property and equipment are initially recorded at cost. Subsequent to initial recognition, these are stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost lessany impairment in value.

The initial cost of property and equipment comprises its purchase price or construction cost and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance including the cost of day-to-day servicing of an item of property and equipment, are normally charged to operations in the period in which the costs are incurred. In situation where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on the straight-line method over the following estimated useful lives eof the assets as follows:

	Years
Land improvements	15
Building and improvements	10
Transportation equipment and machineries	5
Furniture, fixtures and office equipment	5
Bearer assets	5

The estimated recoverable reserves, useful lives and depreciation and amortization methods are reviewed periodically to ensure the period and method of depreciation are consistent with the expectedpattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefitsare expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculatedas the difference between the net disposal proceeds and the carrying amount of the asset) is includedin the Group's consolidated statements of comprehensive income (loss) in the year the asset is derecognized. Transfers to or from property and equipment are measured at carrying value of the assets transferred.

Fully depreciated assets that are still being used in the operations continue to be carried in the accounts.

Impairment of Nonfinancial Assets

An assessment is made at each financial reporting period to determine whether there is any indicationof impairment of nonfinancial assets. Where an indicator of impairment exists, the Group makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Recoverableamount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows thatare largely independent of those from other assets or groups of assets. Estimating the value in use

amount requires management to make an estimate of the expected future cash flows and to choose a suitable discount rate in order to calculate the present value of those cash flows. A previously recognized impairment loss is reversed by a credit to current operations to the extent that it does notrestate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and amortization) had no impairment loss been recognized for the asset inprior years.

Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the Group andits related parties, regardless whether a price is charged. Parties are considered to be related if oneparty has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common controlwith the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and (d) other related parties such as directors, officers and stockholders.

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

Refundable Deposits

Refundable deposit refers to the security deposit received from a lessee for the lease of the Group's property. This is classified as financial liability measured at amortized cost. In case the future cash flows for purposes of computing amortization cannot be readily determined and reasonably measured,deposits are carried at cost less any impairment in value.

Equity

- *Capital stock* is determined using the nominal value of shares that have been issued.
- *Additional paid-in capital* includes any premiums received on the initial issuance of capital stocks.Any transaction costs associated with the issuance of shares are deducted from additional paid-incapital, net of any related income tax benefits.
- *Subscriptions receivable* pertains to the uncollected portion of subscribed and paid, or issued.
- *Cumulative fair value gain (loss)* on fair market value of financial asset at FVOCI are recognized immediately in other comprehensive income in equity in the period in which they arise and cannotbe reclassified to profit or loss in subsequent periods.
- *Retained earnings (deficit)* include all current and prior period results of operations as disclosed in the Group's consolidated statements of comprehensive income (loss).

Deposit for Future Stocks Subscription

Deposit for future stocks subscription represents funds received by the Group from existing and potential stockholders to be applied as payment for subscriptions of unissued shares or shares from an increase in authorized capital stock. Proceeds are recognized as equity when all of the requirements set forth by the SEC have been met, otherwise, it is recognized as a liability.

An entity shall classify deposit for future stocks subscription as part of equity if and only if, all of thefollowing elements are present as at the end of the period:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of sharesindicated in the contract;
- There is BOD approval on the proposed increase in authorized capital stock;
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been filed with the SEC.

Basic Earnings (Loss) per share (EPS)

EPS is determined by dividing net income (loss) by the weighted average number of common shares outstanding during the year, with retroactive adjustments for any stock dividends declared.

Revenue Recognition

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 forthose 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 mustestimate 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 orservice 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 goodsto 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 issatisfied.

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 assesses its revenue arrangements againstspecific criteria inorder 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 ofdiscounts 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 ofthe consideration received or receivable, net of trade discounts, if any.
- *Rental income* is recognized on a straight-line basis over the term of the lease.
- *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 interestaccrues, taking into account the effective yield on the asset. Interest income from bank depositsis 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.

<u>Cost and Expense Recognition</u>
Expenses are recognized in the Group's consolidated statements of comprehensive income (loss) when 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.

<u>Employee Benefits</u>

- *Short-term benefits*
  Short-term employee benefits are recognized as expense in the period when the economic benefitsare given. Unpaid benefits at the end of the financial reporting period are recognized as accruedexpense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Group to its employees include salaries and wages, SSS, PHIC and HDMF contributions, short-term compensated absences, bonuses and nonmonetary benefits.

- *Retirement 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 financial statements considering that there were no qualified employees as of reporting date.

<u>Foreign Currency Transactions and Translations</u>
The Group's consolidated financial statements are presented in Philippine Pesos, which is the Group's functional and presentation currency. Items included in the Group's consolidated financial statements are measured using the functional currency. Transactions in foreign currencies are initially recordedin the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilitiesdenominated in foreign currencies are restated at the functional currency rate of exchange as at the financial reporting date.

Gains or losses arising from these transactions and translations are recognized in the Group's consolidated statements of comprehensive income (loss). Non-monetary items measured at fair valuein a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Income Taxes

Income taxes represent the sum of the tax currently due and deferred tax.

Current tax

The tax currently due is based on taxable income for the year. Taxable income differs from income as reported in the Group's consolidated statements of comprehensive income (loss) because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current income tax is calculated using tax rate that have been enacted or substantively enacted at the end of each financialreporting period.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the end of each financial reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and carryforward benefits of minimum corporate income tax (MCIT).Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets and liabilities are measured using the tax rate that is expected to apply to the period when theasset is realized or the liability is settled. The carrying amount of deferred tax asset is reviewed at the end of each financial reporting period and reduced to the extent that it is not probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.Income tax relating to items recognized directly in equity is recognized in equity and not in the Group's consolidated statements of comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset currenttax assets against current tax liabilities.

Leases

Policies beginning January 1, 2019

The Group assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Group assesses whether, throughout the period of use, it has the right to obtain substantially all the economic benefits from the use of the identified asset and the right to direct the use of the asset. If the Group has the right to control the use of an identified asset only for a portion of the term of the contract, the contract contains a lease for that portion of the term.

Group as a 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 lease asset and recognized on a straight-line basis over the term of thelease.

Policies prior to January 1, 2019

The Group determines whether an arrangement is, or contains a lease based on the substance of thearrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the term of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rental expenses under operating leases are recognized as expense in the profit or loss on a straight-line basis over the term of the lease.

A reassessment is made after inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless that term of the renewal or extensionwas initially included in the lease term;
c. There is a change in the determination of whether fulfillment is dependent on specified asset; and
d. There is a substantial change in the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at thedate of renewal or extension period for scenario (b).

Group as lessor
Leases which do not transfer from the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as income on a monthly basis as this accrue in accordance with the substance of the contractual agreement. Contingent rents are recognized as revenue in the period in which they are earned.

Borrowing Costs
Borrowing costs are generally expensed as incurred. Borrowing costs incurred during the construction period on loans and advances used to finance construction and property development are capitalizedas part of Construction in progress included under "Property and Equipment" account in the consolidated statements of financial position. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicableweighted average borrowing rate.

All other borrowing costs are charged to operations in the period in which they are incurred.

Segment Reporting
For management purposes, the Group is organized into operating segments according to the nature of the sales and the services provided, with each segment representing a strategic business unit thatoffers different products and serves different markets. Financial information on business segments is presented in the consolidated financial statements(see Note 27).

Provisions
Provisions are recognized only when the following conditions are met: a) there exists a present obligation (legal or constructive) as a result of past event; b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be requiredto settle the obligation; and c) reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each end of financial reporting period and adjusted to reflect the current best estimate.

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

Events after the End of Financial Reporting Period
Post year-end events that provide additional information about the Group's position at the end of financial reporting period, if any, are reflected in the consolidated financial statements. However, post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

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 thisdesignation 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 June 30, 2022 and December 31, 2021, the aggregate carrying amount of the Group's financial assets measured at amortized cost amounted to 829,921,794 and ₱877,715,412 and ₱949,184,894, respectively (see Note 26).

- *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.

- *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 June 30, 2022 and December 31, 2021 as disclosed in Note 14.

- *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.

- *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 2022, 2021 and 2020, the Group earned a total revenue from sales of fruits, vegetables and supplements amounting to 40,690,292, ₱24,060,534, and ₱2,517,635, respectively, while total revenue from rendering of services from solar energy and agri-tourism amounted to 446,429, ₱6,221,903, and ₱6,875,277, respectively, as disclosed in Note 20.

<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 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 andexpected 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 P8,663,207, respectively, as disclosed in Note 20. Provision for expected credit losses of nontrade receivables amounting to nil and P328,845 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 P83,903,214 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 829,921,724 and ₱877,715,412, respectively (see Note 26).

- *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 June 30, 2022 and December 31, 2021, the carrying amounts of inventories amounted to 1,937,975 and 2,019,783 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 determining the 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:

	2022	2021
Advances for recovery project (Note 11)	**₱235,008,036**	₱235,008,036
Input VAT	**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, 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 June 30, 2022 and December 31, 2021 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 June 30, 2022 and December 31, 2021, the carrying amounts of property and equipment at revalued amount are ₱12,834,158, as disclosed in Note 12.

- *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 June 30, 2022 and December 31, 202, the carrying amounts of the intangible assets are 2,567,170 and 2,522,819, respectively, as disclosed in Note 13.

- *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 June 30, 2022 and December 31, 2021.

- *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 23.

- *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.

- *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 and Cash Equivalent

This account consists of:

	2022	2021
Savings and current deposits	**₱9,591,276**	₱2,124,413
Cash on hand	**50,000**	1,050,000
	₱9,641,276	₱3,174,413

Savings and current accounts generally earn interest based on prevailing respective bank depositrates of less than 1% annually.

Interest income on cash in banks and cash equivalent recognized in profit or loss in the Group's consolidated statements of comprehensive loss amounted to ₱298 in 2021 and ₱358 in 2020. Interest income in 2019 and 2018 include interest earned by the cash equivalent which pertains to time deposit made for a period of three months and earnsinterest at 2.75% whichmatured in February 2019. Cash in banks denominated in foreign currency with Peso equivalents are as follows:

	Foreign currency	Peso
2022	**US$1,814**	**99,808**
	EU500	**28,729**
2021	US$1,814	92,123
	EU500	28,756

The above balances were translated using the prevailing exchange rates as of June 30, 2022 and December 31, 2021

	2022	2021
US Dollar	**55.021**	50.774
Euro	**57.458**	57.512

7. Receivables

This account consists of:

	2022	2021
Trade receivables	**210,000**	622,190
Nontrade receivables	**252,790,542**	252,168,352
Advances to officers and employees	**32,210**	32,210
	253,032,752	252,822,752
Allowance for impairment loss:		
Nontrade receivables	**(328,845)**	(328,845)
	252,703,908	252,493,907

Nontrade receivables include an unsecured, noninterest-bearing receivable from Thomas Lloyd Cleantech Infrastructure Fund GMHB (TLCIF) amounting to ₱ 250,142,630, 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. Nontrade receivable also includerent receivable (see Note 18).

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

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

As at June 30, 2022, the nontrade receivables from ZFTC are not yet settled. In 2019, theParent Company and ZFTC agreed to convert these receivables into an investment with a particular interest. As at report date, conversion is still in process.

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

The movement of allowance for impairment losses is shown below:

	2022	2021
Balance at beginning of year	**₱328,845**	₱328,845
Reversal of provision	**–**	–
Provision	**–**	–
Balance at end of year	**₱328,845**	₱328,845

8. 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 ₱400.0 million 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 ₱6.0 million paid on January 28, 2013 and ₱5.0 million 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. Theparties may, however, agree to extend the period as the circumstances may warrant.

The fair value of the Park as at February 8, 2013 is ₱446.1 million 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 initialconsideration of ₱400.0 million to ₱446.1 million 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 thePark, which included the construction and operation of at most sixty (60) greenhouses for high valuecrops and a twenty (20) - hectare asparagus farm. In connection with this, the BOD approved to advance ₱200.0 million 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 16):

a. To cover the post-dated checks issued by the stockholder as payment to Mr. Gregorio for the Parkpursuant 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 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 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 ₱10.5 million.

In 2019, several lands amounting to ₱63.4 million were acquired through liquidation of the advances made to stockholder (see Note 13) for the following:

In the last quarter 2017, SREDC started its operation which offers agri-tourism and lifestyle center activities. The Group recognized revenue amounting to ₱0.3 million in 2020 and ₱0.5 million in 2019 which includes income from field trips and other recreational events, room services and other sale of agricultural products.

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 adeposit amounting to ₱4.6 million in 2018. In September 2019, the Parent Company made an additional investment amounting to ₱4.0 million.

9. Other Current Assets

This account consists of:

	2022	2021
Input VAT	**9,717,026**	9,627,979
Formation cost	**14,507**	13,780
Other Asset	**945,332**	
	10,676,865	9,641,759
Less allowance for impairment	**(9,397,880)**	(9,397,881)
	1,278,985	243,878

Impaired input VAT amounting to ₱9,381,384 were written off in 2020.

10. Financial Asset at FVOCI

Below is the roll forward analysis of this account:

	2022	2021
Balance at beginning of year	**1,074,337,359**	1,458,373,432
Addition during the year		190,124,414
Fair value loss during the year	-	574,160,487
Balance at end of year	**1,074,337,359**	1,074,337,359

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 gain (loss) on financial asset at FVOCI" in the equity section of the consolidated statements of financial position is shown below:

	2022	2021	2020
Balance at beginning of year	**(2,214,830,598)**	(1,640,670,111)	(638,038,377)
Fair value gain during the year	**–**	(574,160,487)	(1,002,631,734)
Balance at end of year	**(2,214,830,598)**	(2,214,830,598)	(1,640,670,111)

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

11. Advances for Waste Recycling Project

Advances for waste recycling project amounting to ₱235.0 million 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 forfree in a warehouse owned by a director of the TWMRSI located in Valenzuela City. TWMRSI has notstarted the assembly and installation of the parts as it is still finalizing the arrangementfor 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.

12. Property and Equipment

The rollforward analysis of this account is shown below:

2022

	Land	**Land improvements**	**Building improvements**	**equipment and machinery**	**fixtures and office**	**Bearer assets**	**Total**
Cost:		-					
Balance at beginning of year	64,001,278	55,720,907	45,515,296	13,978,882	967,423	14,590,098	194,773,884
Additions	-		-	-	42,670		42,670
Disposal of asset							-
	64,001,278	**55,720,907**	**45,515,296**	**13,978,882**	**1,010,093**	**14,590,098**	**194,816,554**
Accumulated depreciation and amortization:							
Balance at beginning of year	-	16,080,192	25,927,348	11,781,667	190,772	1,755,940	55,735,919
Disposal of assets							-
Depreciation and amortization	-	1,857,364	3,049,693	1,101,164	14,514	248,573	6,271,308
Balance at end of year	-	17,937,556	28,977,041	12,882,831	205,286	2,004,513	62,007,226
Net book value	**64,001,278**	**37,783,351**	**16,538,255**	**1,096,051**	**804,807**	**12,585,586**	**132,809,328**

2021

	Land	**Land improvements**	**Building improvements**	**equipment and machinery**	**fixtures and office**	**Bearer assets**	**Total**
Cost:	64,001,278	55,720,907	45,515,296	13,978,882	967,423	14,590,098	194,773,884
Accumulated depreciation and amortization:							
Balance at beginning of year	-	11,436,783	18,303,112	8,975,508	190,772	2,419,278	41,325,453
Depreciation and amortization	-	4,643,409	7,624,236	2,806,159	-	663,338	14,410,466
Balance at end of year	-	16,080,192	25,927,348	11,781,667	190,772	1,755,940	55,735,919
Net book value	64,001,278	39,640,714	19,587,948	2,197,215	776,651	12,834,158	139,037,964

Depreciation is allocated as follows:

	2022	2021
Cost of Sales (Note 18)	**2,134,834**	4,873,045
General and administrative expenses (Note 20)	**4,136,475**	10,763,552
	6,271,308	15,636,597

Additions in 2022 and 2021 were all paid in cash.

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

Construction in progress pertains to immature bearer plants.

There were no changes in the useful lives of the property and equipment in 2022 and 2021.

The Group's management had reviewed the carrying values of the property and equipment as at June 30, 2022 and December 31, 2021 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. There are also 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 in both periods.

13. Intangible assets

The carrying amounts of the Group's intangible assets as of June 30, 2022 and December 31, 2021 are as follows:

	2022	2021
Goodwill	**1,682,690**	1,682,690
Computer software	**884,480**	840,129
	2,567,170	2,522,819

Additions were all paid in cash.

As at June 30, 2022, 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.

14. Investment Properties

As at June 30, 2022 and December 31, 2021 the account consists of the following:

Property	Location	Area	Cost
Land	Batangas	35,084 sq. m	₱3,157,560
Land	Laguna	335 sq. m	2,400,000
Land	Olongapo	467 sq. m	1,500,000
			7,057,560
Allowance for impairment			-
			₱7,057,560

The land located in Rosario, Batangas, and in Cabuyao Laguna and Olongapo City were acquired in 2013 and 2008, respectively. These properties with total land area of 35,886 square meters are intended to be held forcapital appreciation. The estimated fair value as at December 31, 2018 amounted to ₱6.32 million using the Market Data Approach based on available market information. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available.

Fair value of the property was not determined as at June 30, 2022. 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 it's carryingvalue.

The Group's management had reviewed the carrying values of the investment properties for any impairment as at June 30, 2022 and December 31, 2021. Allowance for impairment amounted to ₱0.74 million as at June 30, 2022 and December 31, 2021.

There are no contractual commitments to purchase or construct investment property. There is also no investment property that are pledged as securities as at June 30, 2022 and December 31, 2021. Furthermore, there is no property whose title is restricted from use of the Group in both years.

15. Biological assets

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

	2022	2021
Consumable		
Mature	**8,381,663**	14,358,399
Immature	**155,843**	154,756
	8,537,506	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.

16. Advances to project

Advances to project represent cash advances provided for farm projects and other project 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 June 30, 2022 and December 31, 2021 advances to project amounted to P60,504,600 and P61,261,500 respectively.

17. Trade and other payables

This account consists of:

	2022	2021
Trade	**369,809**	375,632
Government payables	**377,831**	45,167
Accrued expenses	**85,296**	503,895
Refundable deposit	**270,000**	270,000
Advances from Officer and Employee	**560**	2,457,030
Other payables	**4,740,669**	4,588,563
	5,844,165	8,240,287

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

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

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

18. Related Party Transactions

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

- 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.

- The Group extended noninterest-bearing and unsecured cash advances to one of its stockholders for the acquisition and development of the Park amounting to ₱446.1 million in 2014 (see Notes 1 and 8). In 2020, additional settlement received amounted to ₱3.8 million.

- As at June 30, 2022 and December 31, 2021 details and outstanding balances of due to and from related parties follow:

		2022		2021
Receivables				
Stockholders	**₱**	**598,890,755**	₱	634,199,332
Affiliates		**52,223,572**		72,504,340
		651,114,327		706,703,672
Allowance for impairment	**-**	**83,574,371**		-83,574,369
		567,539,956		623,129,303
Payables				
Affiliates		**3,079,639**		104,116,363
Stockholders		**205,544,155**		164,405,213
		208,623,794		268,521,576

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

The rollforward analysis of related party accounts follow:

	2022		2021
Receivables			
Balance at beginning of year	**623,129,303**		696,111,219
Liquidation during the period			
Collections during the period	**(55,589,347)**	-	(76,794,416)
Advances made during the period			3,812,500
Provision for impairment during the year	**567,539,956**		623,129,303
Balance at end of year	**567,539,956**		623,129,303

- 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 P250,000,000 worth of common shares at P1.00 per share and P37,500,000 worth of preferred shares at P0.01 per share of which P177,000,000 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 P250,000,000 worth of common shares to P750,000,000 worth of common shares. The amended number of subscribed common shares represent 25% of the required subscription out of the proposed increase. On 17 September 2021, the SEC approved the Increase. Consequently, the amended number of subscribed common shares was converted to equity.

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

Category	2022 Amount	2022 Balance-Asset (Liability)	2021 Amount	2021 (Liability)	Terms and Condition/Settlement	Guaranty/Provisions
Stockholders						
					Non-interest bearing; collectible on demand and to be settled through liquidation	Unsecured; no significant warranties and covenants;no impairments
Receivable		**598,890,755**	-	634,199,332		
Collections	**(35,308,577)**		(76,748,458)	-		
Advances made			3,812,500	-		
Allowance for impairment		**(17,018,462)**	-	(17,018,462)		
Payable		**(205,544,155)**	-	(104,116,363)	Non-interest bearing; payable on demand and to be settled in cash	Unsecured; no significant warranties and covenants
Advances received			83,642,586	-		
Payments made			-	-		
Under common control						
					Non-interest bearing; collectible on demand and to be settled in cash	Unsecured; no significant warranties and covenants;no impairments
Receivable		**52,223,572**	-	72,504,340		
Collections	**(20,280,768)**		(45,958)	-		
Advances made			-	-		
Allowance for impairment		**(66,555,907)**	-	(66,555,907)		
Payable		**(3,079,639)**	-	(164,405,213)	Non-interest bearing; payable on demand and to be settled in cash	Unsecured; no significant warranties and covenants
Advances received			93,205,078	-		
Payments made			-	-		

- Compensation paid to key management personnel for the years then ended June 30, 2022 and 2021 follows:

	2022	2021
Short term benefits		
Salaries and wages	**₱4,676,185**	₱293,404
13th month pay and other benefits	**40,617**	24,450
	₱4,716,802	₱390,078

- There are no other significant related party transactions in June 30, 2022 and December 2021

19. 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) right to 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.

On September 17, 2021, the SEC approved the increase in authorized capital stock of the Parent Company from Php2,000,000,000.00, divided into: (i) 1,900,000,000 common shares with a par value of Php1.00 per share; and (ii) 1,000,000,000 preferred shares with a par value of P0.10 per share to Php5,000,000,000.00, divided into: (i) 4,900,000,000 common shares with a par value of Php1.00 per share; and (ii) 1,000,000,000 preferred shares with a par value of P0.10 per share.

The movement in the Parent Company's authorized number of shares with a par value of P0.10 on preferred and P1.00 on common is shown below:

	2022		2021	
	Preferred	**Common**	Preferred	Common
Balance at beginning of the year	**1,000,000,000**	**4,900,000,000**	1,000,000,000	1,900,000,000
Increase during the year	**-**	**-**	-	3,000,000,000
Balance at end of the year	**1,000,000,000**	**4,900,000,000**	1,000,000,000	4,900,000,000

The movement in the Parent Company's subscribed and paid-up capital is shown below:

	2022	2021
Balance at beginning of the year	**₱ 1,939,099,849**	₱ 1,704,778,573
Increase during the year	**-**	234,321,276
Balance at end of the year	**1,939,099,849**	₱ 1,939,099,849

No movement in the Parent Company's preferred shares is shown below:

	2022	2021
Balance	**₱ 100,000,000**	₱ 100,000,000

The movement in the Parent Company's additional paid-up capital is shown below:

	2022	2021
Balance at beginning of year	**₱ 283,715,531**	₱ 268,090,531
Additions during the year		15,625,000
Balance at end of the year	**₱ 283,715,531**	₱ 283,715,531

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 June 30, 2022 and 2021 are as follows:

	2022		2021	
	High	Low	High	Low
First	₱1.84	₱1.77	₱4.94	₱3.69
Second	1.64	1.59	4.53	3.35
Third	-	-	2.20	2.10
Fourth	-	-	2.29	2.24

20. Sales

Sales pertain to receipts from agri-tourism and sale of fruits and vegetables. These are currently the only sources of income of the Group.

Category	**2022**	2021
Sale of solar energy	**446,429**	5,806,223
Sale of fruits and vegetables & Agritourism	**40,090,292**	16,354,540
Sale of supplements	**600,000**	4,016,880
Total	**41,136,721**	**26,177,643**

The table shows the analysis of sales of the Group by major sources for the quarter ended June 30, 2022 and 2021:

The performance obligation to provide tourism services is satisfied at a point in which is upon render of service and delivery of the goods. There are no outstanding contract balances from the Group's sales. The Group has no liability related to these services.

Rental income

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 ₱1.7 million and ₱1.6 million as at June 30, 2022 and December 31, 2021 respectively (see Note 7). Refundable deposit under this lease agreement amounted to ₱270,000 as at June 30, 2022 and December 31, 2021 (see Note 15). Rental income amounted to ₱0.1 million and ₱0.09 in 2020 and 2019, respectively, presented in the Group's consolidated statements of comprehensive loss.

21. Cost of Sales

This account consists of:

	2022	2021
Farm supplies	**22,830,930**	6,690,722
Solar Energy	**334,821**	5,225,601
Supplements	**390,000**	2,128,825
Cost - Depreciation	**2,134,833**	
	25,690,584	14,045,148

22. General and Administrative Expenses

This account consists of:

	2022	2021
Depreciation and amortization	**4,136,475**	6,439,069
Utilities	**1,333,172**	1,322,038
Salaries and wages	**4,716,802**	1,262,012
Contractual Services	**1,401,895**	1,066,429
Listing and stock transfer fees	**250,000**	427,770
Legal and professional	**342,828**	296,347
Taxes and Licenses	**274,026**	184,211
Trasportation	**493,698**	175,343
Materials and supplies	**133,220**	127,514
Repairs and maintenance	**388,797**	88,708
Representation and entertainment	**13,212**	2,087
Miscellaneous	**18,113**	6,609
	13,502,237	11,398,136

Miscellaneous expenses include advertising, service charges and other fees.

As at June 30, 2022 and 2021, 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.

23. Income Taxes

- The current income tax expense in 2022 and 2021 pertains to RCIT and MCIT respectively.

- 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 income (loss) is as follows:

- The Group has NOLCO which can be claimed as deduction against future taxable income for the next three years as follows:

Year incurred	NOLCO	Expired	Unexpired	Tax benefit	Year of expiration
2019	₱30,774,580	₱–	₱30,774,580	₱9,287,039	2022
2018	31,719,395	–	31,719,395	9,434,535	2021
2017	1,337,437	1,337,437	–	–	2020
	₱63,831,412	₱1,337,437	₱62,493,975	₱18,721,574	

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

Year incurred	NOLCO	Expired	Unexpired	Tax benefit	Year of expiration
2020	₱30,691,585	₱–	₱30,691,585	₱9,038,489	2025

The income tax benefits of NOLCO and MCIT were 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 2020 and 2019.

24. Basic Earnings (Loss) per Share

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

The Group has no diluted loss per share for the year ended June 30, 2022 and 2021.

		2022		2021
Net Income / (Loss) attributable to the equity holders of the Parent company		**931,173**		(441,593)
Divide by: Weighted average number of Common Share		**1,939,099,849**		1,939,099,849
	-	**0.0051**	-	0.0020

25. Non-controlling Interests

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

	2022			
	Balance at beginning of year	Net income (loss)	Addition during the quarter	Balance at end of the quarter
SREDC	₱ 211,773,656.00	2,576,038.00		₱ 214,349,694
LSTI	(56,848)	(3,503.50)		(60,352)
TWMRSI	(115,518,366)	(14,471.91)		(115,532,838)
YGPL	61,923	102,900.00		164,823
OBTRI	1,733	(6,150.66)		(4,418)
	96,262,098	**2,654,812**	**-**	**98,916,910**

	2021			
	Balance at beginning of year	Net income (loss)	Addition during the quarter	Balance at end of the quarter
SREDC	₱ 228,743,356	-₱ 16,969,700		₱ 211,773,656
LSTI	(26,559)	(30,289)		(56,848)
TWMRSI	(115,478,443)	(39,923)		(115,518,366)
YGPL		61,923		61,923
OBTRI			1,733	1,733
	₱ 113,238,354	**-₱ 16,977,989**	**₱ 1,733**	**₱ 96,262,098**

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

26. Financial Instruments

The following tables set forth the carrying values and estimated fair values of the Group's financial asset and liabilities recognized as at June 30, 2022 and December 31, 2021:

	2022			
	Carrying value	Fair Value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)
Cash on hand (Note 6)	₱ 50,000	₱ 50,000		₱ 50,000
Petty Cash (Note 6)		-		-
Financial asset at amortized cost		-		-
Cash in banks (Note 6)	9,591,276	9,591,276		9,591,276
Nontrade receivables - net (Note 7	252,790,542	252,790,542		252,790,542
Due from related parties - net (No	567,539,956	567,539,956		567,539,956
Financial asset at FVOCI (Note 10)	1,074,337,359	1,074,337,359	1,074,337,359	
	₱ 1,904,309,133	**₱ 1,904,309,133**	**₱ 1,074,337,359**	**₱ 829,971,774**
Financial liabilities at amortized cost				
Trade and other payables * (Note	₱ 5,466,334	₱ 5,466,334		₱ 5,466,334
Due to related parties (Note 16)	208,623,794	208,623,794		208,623,794
	₱ 214,090,128	**₱ 214,090,128**	**₱ -**	**₱ 214,090,128**

	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
Petty Cash (Note 6)		-		-
Financial asset at amortized cost				-
Cash in banks (Note 6)	2,124,413	2,124,413		2,124,413
Nontrade receivables - net (Note 7	252,461,697	252,461,697		252,461,697
Due from related parties - net (No	623,129,303	623,129,303		623,129,303
Financial asset at FVOCI (Note 10)	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	₱ 8,195,120	₱ 7,863,478		₱ 7,863,478
Due to related parties (Note 16)	268,521,576	91,673,912		91,673,912
	₱ 276,716,696	₱ 99,537,390	₱ -	₱ 99,537,390

**Excluding government payables amounting to ₱337,831 in June 30, 2022*

Methods and Assumption Used to Estimate Fair Value

The carrying values of the financial assets, except financial asset 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 to and from level 1 and 2 categories during 2022 and 2021

27. 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 asset 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, nontrade receivables, due from related parties and financial asset at FVOCI.

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

  Credit risk exposure
  The table below shows the gross maximum exposure to credit risk of the Group as at June 30, 2022 and December 31, 2021, without considering the effects of credit risk mitigation techniques.

	2022	2021
Cash in banks	**9,591,276**	2,124,413
Nontrade receivables	**252,790,542**	252,461,697
Due from related parties	**567,539,956**	623,129,303
	829,921,774	877,715,413

Credit quality per class of financial asset
Below is the credit quality per class of financial assets as at June 30, 2022 and December 31,2021

	2022				
	Neither past due nor impaired		Past due but	Impaired	Total
	High grade	Standard grade	not impaired		
Cash in banks	₱ 9,491,468	₱ 99,808			₱ 9,591,276
Nontrade receivables		2,671,805	250,118,737	-	252,790,542
Due from related parties		483,965,587		83,574,369	567,539,956
	₱ 9,491,468	**₱ 486,737,200**	**₱ 250,118,737**	**₱ 83,574,369**	**₱ 829,921,774**

	2021				
	Neither past due nor impaired		Past due but	Impaired	Total
	High grade	Standard grade	not impaired		
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 and financial assets at FVOCI quoted securities 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. Investment in shares of stocks under high grade classification are assigned to financial assets invested to well-established and financially sound company.

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 or geographical 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 cashflows 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.The management has assessed that due from related parties amounting to ₽ 83.6 million in 2020 are uncollectible.

- Liquidity Risk

  The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and cover its operating costs. The Group's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. Additional short-term funding is obtained from related party advances.

- Maturity Profile

  The maturity profile of the Group's financial assets and liabilities are presented below:

	Weighted Average Effective Interest Rate	On Demand	Within One (1) Year	Total
June 30, 2022				
Cash on hand		50,000		**50,000**
Cash in banks	Less than 1%	9,591,276		**9,591,276**
Trade and other receivables - net		252,703,908		**252,703,908**
Due from related parties - net		567,539,956		**567,539,956**
		829,885,139	-	**829,885,139**

	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

- 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 2020 and 2019 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.

  At December 31, 2020 and 2019, if the quoted stock price for the securities using PSE index had increased by 70% and 38%, respectively, Group's total equity would have been higher by about ₱1.02 billion and ₱932.3 million, 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 70% and 38%, with all other variables held constant.

- Foreign Currency Risk
  Currency risk arises when transactions are denominated in foreign currency. The Group is not exposed to significant foreign currency risk given that the Group's foreign currency denominated financial assets which pertains to cash in banks are not significant in amount.

28. 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:

	2022	2021
Capital Stocks	**₱2,039,099,849**	₱ 2,039,099,849
Additional Paid in Capital	**283,715,531**	283,715,531
Retained Earnings	**1,707,904,774**	1,708,835,948
Due to related parties	**208,623,794**	268,521,576
	₱4,239,343,948	₱ 4,300,172,904

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 June 30, 2022 and December 31, 2021 follow:

	2022	2021
Total debt	**₱ 218,562,390**	₱ 281,169,985
Total Equity	**1,919,953,231**	1,918,221,656
	11%	15%

The Group had not been subjected to externally imposed capital requirements in 2022 and 2021. No changes were made pin the objectives, policies, and processes during the years ended December 31, 2021 and 2020

29. 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 andinvestmentproperties. 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. I ntercompany transactions are eliminated in consolidation.

Segment Financial Information

The segment financial information is presented as follows:

	2022								
	Holding	**Renewable Energy**	**Waste Management**	**Lease and Agri-Tourism**	**Information Technology**	**Professional, Scientific and Technical Services**	**Processing / Preserving**	**Elimination**	**Total**
Income									
Revenue		₱ 446,429		₱ 40,090,292		₱ 600,000			₱ 41,136,721
Unrealized fair value gain (biological asset)				₱ 50,324					
Gain on sale of financial asset at FVOCI									-
Interest Income	114	32							146
Foreign Exchange Gain		12,383							12,383
	114	**458,843**	**-**	**40,140,616**	**-**	**600,000**	**-**	**-**	**41,149,249**
Expense									
General and administrative expens	(5,342,456)	(400,142)	(29,535)	(33,008,163)	(7,150)	(390,000)	(15,377)		(39,192,822)
Provision for Income Tax				(283,113)					(283,113)
Net Income (loss)	(5,342,343)	58,701	(29,535)	6,849,340	(7,150)	210,000	(15,377)	-	1,673,314
Net income (loss) attributable to:									
Equity holders of the Parent Comp.	(5,342,343)	58,701	(15,063)	4,273,303	-3647	107,100	- 9,226		(931,174)
Noncontrolling interest		0	(14,472)	2,576,037	-3503	102,900	- 6,151		2,654,812
Asset and Liabilities									
Segment assets	**1,945,441,914**	**16,675,187**	**-**	**547,557,692**	**10,807,098**	**5,982,234**	**22,812,500**	**(410,761,003)**	**2,138,515,622**
Segment liabilities	**228,766,058**	**82,910,876**	**233,975,302**	**19,998,879**	**10,998,675**	**5,613,934**	**20,241,824**	**(383,943,158)**	**218,562,390**

	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									
Revenue		₱ 3,150,000		₱ 8,275,482		₱ 84,816			₱ 11,510,298
Gain on sale of financial asset at FVOCI									-
Interest Income	110								110
Reversal of Allowance									-
Reversal of Payables									-
Foreign Exchange Gain	463								463
	573	**3,150,000**	**-**	**8,275,482**	**-**	**84,816**	**-**	**-**	**₱ 11,510,871**
Expense									
General and administrative expens	(467,531)	(2,835,550)	(550.00)	(7,880,229)		(44,816)			(11,228,676)
Impairment Loss									-
Unrealized forex loss									-
Provision for Income Tax		(78,633)							(78,633)
Net Income (loss)	**(466,958)**	**235,817**	**(550)**	**395,253**	**-**	**40,000**	**-**	**-**	**(43,765,243)**
Net income (loss) attributable to:									
Equity holders of the Parent Comp.	(466,958)	235,817	(280)	148,695		20,392			(62,334)
Noncontrolling interest			(270)	246,666		19,592			265,988
	(466,958)	**235,817**	**(550)**	**395,361**	**-**	**39,984**	**-**	**-**	**203,654**
Segment Assets	₱ 2,365,117,251	₱ 6,409,657	₱ -	₱ 538,408,330		₱ 168,606		-₱ 336,353,990	₱ 2,573,749,854
Segment Liabilities	-₱ 306,693,977	-₱ 72,886,131	-₱ 233,878,887	-₱ 15,490,974	-₱ 167,195	₱ -		₱ 310,596,498	-₱ 318,520,666