GOLDEN MV HOLDINGS

May 16, 2022

PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Tower
5th Avenue corner 28th Street, Bonifacio Global City, Taguig City

Attention: Ms. Alexandra D. Tom Wong
Officer in Charge, Disclosure Department

Subject: Golden MV Holdings, Inc: **2021 Annual Report SEC 17-A - 12/31/2021**

Gentlemen:

Please see attached Annual Report of Golden MV Holdings, Inc. for the year 2021.

Thank you.

Miles M. Teretit
Officer-in-Charge

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

Estrellita S. Tan
Contact Person

(02) 873-2922
Company Telephone Number

1 2 / **3 1**
Month *Day*
Calendar Year

17-A
FORM TYPE

0 7 / **1 5**
Month *Day*
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

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

2. SEC Identification Number **108270**

3. BIR Tax Identification No. **768-991-000**

4. Exact name of issuer as specified in its charter **Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.)**

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

6. (SEC Use Only)
   Industry Classification Code:

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

8. **8873-2922 / 8873-2543**
   Issuer's telephone number, including area code

9. **Golden Bria Holdings, Inc.**
   Former name, former address, and former fiscal year, if changed since last report.

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

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

11. Are any or all of these securities listed on a Stock Exchange?

    Yes [**x**] No [ ] **Name of Stock Exchange:** **Philippine Stock Exchange**
    Class of Securities Listed: **Common Stocks**

12. Check whether the issuer:

    (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 RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

    Yes [**x**] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [**x**] No [ ]

13. Aggregate market value of voting stocks held by non-affiliates:

₱ 37.9 billion as of December 31, 2021

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ] No [ ] **NOT APPLICABLE**

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of SEC Form 17-A into which the document is incorporated:

Consolidated Financial Statements as of and for the year ended **December 31, 2021** (incorporated as reference for Item 7 and 12 of SEC Form 17-A)

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PART I – BUSINESS

Item 1. Business

Overview

Golden Bria Holdings, Inc. (the "Company"), formerly Golden Haven, Inc., incorporated in November 1982, is one of Philippines' leading developers of memorial parks in the country in terms of number of projects, overall sales, and land developed. Aside from the development and sale of memorial parks, the Company likewise develops, constructs and operates columbarium and memorial chapel facilities. With the acquisition of Bria Homes, Inc. ("Bria"), the Company is now also engaged in the construction and development of residential projects in various places all over the Philippines.

In relation to its deathcare business, which continues to operate under the brand **Golden Haven**, the Company has, over the past year, have established projects all over the country, making it one of the largest deathcare developer in the country. The Company also has columbaries projects within a selection of its memorial parks, with the largest being the 20,000-vault columbarium beneath Golden Haven's Sanctuario de San Ezekiel Moreno, located along C5 Road, Pulang Lupa, Las Piñas. The company has also expanded its business into Memorial Chapel Services in Las Pinas and the more recent acquisition of a new memorial chapel in Angeles, Pampanga. These developments expanded the company's deathcare product offerings to funeral and cremation services, bringing it closer to becoming the country's first fully integrated deathcare service provider.

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

As for its residential development business, operating under **Bria Homes**, is a corporation duly organized and existing under the laws of the Republic of the Philippines. The primary purpose of Bria is to acquire, own, use, improve, develop, subdivide, sell, mortgage, engage, lease, develop, and hold for investment or otherwise improve, manage, or dispose of real estate of all kinds including buildings, houses, apartments, and other structures of whatever kind. Bria is principally engaged in the mass housing business with housing projects located in over 20 of the most progressive cities and municipalities around the country.

Bria Homes, Inc. is the fastest growing mass housing developer in the Philippines. It caters to ordinary Filipinos who dreams of having high quality and affordable homes. Bria established its national footprint by continuously growing and making quality projects. To date, Bria, has over 50 projects and developments around the country.

The company listed with the Philippine Stock Exchange (PSE) on 29 June 2016, at an initial price of P10.52 per share. As of 31 December 2021, the Company's shares are valued at P540.00 per share.

Recent Developments and Acquisitions

In accordance with the Company's plan to further expand and diversify both its project and product profile, Golden Bria was able to significantly expand its holdings for both deathcare projects and for residential developments over the past year.

Since 31 December 2020, the Company, through its deathcare business Golden Haven, was able to expand to about 30 developments all over the Philippines including both expansion and new project properties, making it one of the country's largest memorial park developers.

For the Company's residential development business, under Bria Homes, Inc., the company has also widened its product portfolio keeping in mind both house and lot and condo homelookers. Since 31 December 2020, the company has widened its reach to 51 projects in 40 locations across the country. Its continual growth gives true meaning to the company's goal in providing an ordinary Filipino a home that they can call their own. The Company was also able to launch its vertical development under the name "Astra Vertical Villages"; an array of affordable condominiums.

Products and Services

Death care Business

The death care services market comprises products and services acquired or availed of during the period of mourning and grief following the death of a loved one. This line of products and services generally includes funeral services and funerary arrangements (care for the deceased and cosmetic embalming in preparation for viewing), burial or cremation services, and the sale of caskets, urns and memorabilia. The past year, there has been a significant focus on ossuaries and apartment niches, giving way to a new product line targeting the market in the Metro where vault rentals are rampant. With this product, we are giving our clients an option to purchase their own vaults. Also focusing on the upscale market, with the company aiding its sales through an initiative called "Golden Shrines", wherein Family Estate purchasers are given complimentary designs made by Golden Haven's best memorial architects.

As of the date of this filing, the Company's key products and services consist of the sale of memorial lots and columbarium vaults made available to the public through the Company's developments. With the opening of its Memorial Chapel, the Company was able to expand the services and products it offers to more categories of the death care industry.

Most of the foregoing developments are wholly-owned by the Company with the exception of a number park developments which have been undertaken through a joint venture with a third-party land owners.

Residential Development Business

Bria Homes, Inc. is the fastest growing mass housing developer in the Philippines in terms of scale and expanse. It caters to ordinary Filipinos who dream of having high quality and affordable homes. The Company is already expanding its portfolio in a transition from simply being "Murang Pabahay" to becoming the Filipino's "Home of Choice". A moniker it wishes to achieve by adding new horizontal and vertical residential concepts in higher market segments, thereby completing the spectrum and ensuring that there is an apt Bria home for the everyday Filipino's defining moments of success.

It has 51 projects and residential developments. The Company established its national footprint by continuously growing and making quality projects. As of the date of this writing, the Company is present in 50 of the most progressive cities and municipalities in the country.

Distribution Methods of Products

Death care Business

The Company relies extensively on third party agents to sell its products and services in the country. As the terms of engagement by the Company of these agents are non-exclusive, these agents, in general, may likewise offer products and services of the Company's competitors. The Company cannot give any assurance that these agents will give adequate focus to the Company's products and services and not favor or give priority to any other products these agents may otherwise offer. If a large number of these agents were to reduce focus on the Company's products and services, or otherwise terminate their arrangements with the Company, there can be no assurance that the Company would be able to replace these agents in a timely or effective manner.

The Company also has limited control over these third party agents and cannot monitor all aspects of their work. With this limited control, the Company cannot give assurance that none of its third party agents will make misleading representations and promises on the Company's products and services, leading to customer disputes and damage to the Company's reputation.

Residential Development Business

The Company believes it has one of the most extensive marketing networks of all Philippines housing development companies.

Local Marketing Network

The Company's local marketing and distribution network of independent contractors and agents for its housing development activities consists of various teams with a combined total of more than 14,000 active agents. Of these marketing teams, over 700 are accredited licensed realtors.

The Company believes that it offers its marketing teams competitive compensation terms. The Company's commission structure and incentive schemes vary relative to the network's affiliation and sales structure.

The Company's exclusively contracted marketing teams are compensated through a monthly allowance and are provided administrative support by the Company, including office space and expense allowances. Broker companies are compensated with relatively higher commissions with funding allocations for business development programs.

International Marketing Network

The Company believes that the OF (Overseas Filipinos) population constitutes a significant portion of the demand for its housing and land development projects. The demand comes from both the direct purchase by the OF or purchase by relatives of the OF financed by OF remittances. As such, the Company seeks to adequately service and reach the OF and international markets. For that purpose, the Company has established an extensive international marketing network.

This network consisted of over 50 partners and more than 1,300 independent agents located in countries and regions with large OF populations, including the United States, as of 31 December 2018.

Through this network, the Company is well-represented in key cities abroad with the highest concentration of OF communities. The Company's presence is significant in countries and regions such as North America, Europe, Middle East and Asia including Japan. These international brokers are established in their respective areas and serve as the Company's marketing and promotion agents in their territories, to promote the Company and its products. In addition, some of these agents have bought houses from the Company in the past. The Company believes that its long standing relationships with these agents over the years distinguish it from its competitors.

The Company, together with these international brokers and agents, regularly sponsors road shows and participates in international fairs and exhibits, Filipino social and professional gatherings, and other OF-related events.

In light of recent protocols, awareness efforts are now primarily conducted through digital saturation, advertising in social media platforms, and creating seamless customer experience through the company's professionally curated website. In lieu of face-to-face transactions, purely online sales conversion is now possible through dedicated e-commerce applications. Intensive campaigns are being run simultaneously to appeal to all of our target market segments everyday, and all the time.

Land Development and Acquisition

Death care Business

Part of the Company's key strategies is to continue to work on developing existing, undeveloped and contiguous land areas of its memorial parks, which would allow it to increase its inventories to meet emerging market demand for its products. Development activities will include site preparation, landscaping, beautification and other related civil works on the relevant areas intended to make the same suitable for further development into memorial park spaces.

The Company also considers the feasibility of obtaining required governmental licenses, permits, authorizations, and adding necessary improvements and infrastructure, including sewage, roads and electricity against a purchase price that will maximize margins within the limits of available financing.

Residential Development Business

The Company sources land for its projects either through direct purchase. The evaluation process on land acquisitions focuses on 4 major factors: (a) legality of the documents covering the piece of property; (b) valuation of the property; (c) technical characteristics of the property; and (d) other factors impacting on the suitability and feasibility of future projects. As and when needed, the Company also engages third parties, such as surveyors and engineers, to verify that the land it seeks to acquire is covered by the technical description of the title.

Before the Company acquires land to develop land, the Company also conducts its own valuation of the property based on, among other factors, other similar properties in the market and an assessment of the potential income derivable from any development suitable for the property.

Before directly acquiring land, the Company conducts engineering and environmental assessments in order to determine if the land is suitable for construction. The land must be topographically amenable to housing development.

The Company has developed specific procedures to identify land that is suitable for its needs and performs market research to determine demand for housing in the markets it wishes to enter. These factors include:

- the general economic condition of the broad environment of the property;
- suitable land must be located near areas with sufficient demand or that the anticipated demand can justify any development;
- site's accessibility from nearby roads and major thoroughfares;
- the availability of utility infrastructure, such as electric transmission facilities, telephone lines and water systems; and
- the overall competitive landscape and the neighboring environment and amenities.

The Company also considers the feasibility of obtaining required governmental licenses, permits, authorizations, and adding necessary improvements and infrastructure, including sewage, roads and electricity against a purchase price that will maximize margins within the limits of available financing.

Joint ventures

The Company has grown its land bank primarily through direct purchases. However, the Company, particularly for its memorial park business, has also entered into joint venture agreements with land owners or other park developers. These joint venture arrangements are seen to offer certain advantages to the Company, particularly because the Company is not required to pay for the land in advance. The Company's interest in these joint ventures varies depending on the value of the land against the estimated development cost.

Historically, the Company has not experienced any material difficulties in finding joint venture partners to supply land and currently does not expect to experience any such difficulties in the future. The Company believes that this is due to its strong track record, and the track record of its affiliates, which boasts numerous successfully completed projects all over the country, which gives its joint venture partners confidence that their specific project will be handled successfully. Further, there is a prevalence of land owners in the Philippines who wish to develop their land in a multitude of ways, but who may not have the resources, both financial and expertise, to do so.

The Company's joint venture arrangements typically require the joint venture partner to contribute the land to the project, with the Company bearing all costs related to land development, or the continuance thereof, and the construction of park facilities. The Company and its joint venture partner then agree on which of the resulting subdivided saleable lots will be allocated to the Company and which lots will be allocated to the joint venture partner, in accordance with their respective joint venture interests.

Sales and marketing costs are allocated to both the Company and the joint venture partner, with the joint venture agreement specifying a percentage of the contract price for the lots allocated to the joint venture partner as the sales and marketing costs (including commissions to brokers) attributable to the sale of such lots. However, the Company is responsible for organizing and conducting actual sales and marketing activities.

Site development and construction

Development and Operation of Death Care Facilities

In developing a death care facility, the Company conducts a site evaluation to assess the suitability of a property for development into any one type of death care facility, such as a memorial park, a columbarium, a crematorium or whether such property is best suited for ancillary services such as memorial chapels. Aside from property costs, land access, water and power supply and other infrastructure determine a site's suitability for each type of death care facility. The Company simultaneously conducts a market assessment, considering potential market size, the income levels and the presence of established competition in the area.

After a favorable feasibility study, the Company begins the project development process starting with the process of securing regulatory approvals and clearances from various government departments, including the DENR, the LLDA and, if necessary, the DAR, as well as the local government units having jurisdiction over the project area. For more information on the regulations applicable to the Company and its business, see the section "Regulatory and Environmental Matters".

Concurrent with its regulatory compliance efforts, the Company undertakes the process of master planning, design and engineering. Golden Haven has its own architects, engineers, and design experts to plan its developments, with a technical team composed of over 80 employees. On occasion, the Company may engage third party architects, designers and planners. Design and architectural and engineering development timetables vary by project, depending on its scale and design.

Once a project has received a development permit form the relevant local government unit, the Company then applies for a permit to sell from the HLURB to allow the pre-selling of memorial lots and columbarium niches.

Land development, landscaping, infrastructure, and construction work for the Company's projects are all contracted out to various independent contractors. Over its history, the Company has utilized a total of more than 50 independent contractors, and is not dependent on any single firm or contractor.

As of the date of this filing, the Company believes that it has secured all material licenses, permits, consents and registrations from the relevant regulatory authorities which it is required to obtain under applicable law to enable it to engage in the development, operation and maintenance of memorial parks and columbaria.

Residential Development Business

For its residential development activities, the Company begins its project development process after extensive site evaluation by the Company and certain third-party contractors, acquisition of the land (either directly or through a joint venture agreement) and a final decision by the Company to develop such land.

Before the site development process can begin, the Company must obtain regulatory approvals and clearances from various government departments. These include the DENR and the DAR, as well as from the local government unit with jurisdiction over the area where the project will be located. For more information, see "Regulatory and Environmental Matters" for a discussion of government regulations with which the Company must comply in the course of developing its projects.

The Company routinely secures the required governmental approvals for its projects during the planning, construction and marketing stages of project development. The Company is not aware of any pending legislation or governmental regulation that is expected to materially affect its business. The Company believes that it has at all times obtained the required government approvals relevant for each project depending on its respective stage of development.

The site development process involves the planning of the potential project, including determination as to the suitable market segment, master planning, design of houses and landscape design. Development timetables vary from project to project, as each project differs in scale and design. Typically, site development after land acquisition takes at least one year, during which time the Company prepares both the master plan for the entire project (which can take several months and may be revised over the course of the project) and detailed plans for each project phase (which can take up to two months), obtains the necessary government approvals and permits and conducts pre-marketing activities. Once the project has received a development permit from the relevant local government unit and a permit to sell from the HLURB, pre-sales of subdivision lots can begin (often on an initial phase of the project), as well as some initial development work on the project site. Future expansion of the project will depend on the level of sales. As one phase is sold, a new phase of the project will be open for sales and this process is repeated until project completion.

The Company, as often as possible, utilizes its in-house design capabilities and market research data to plan developments. Aside from determining the feasibility of a project, the objective of this study is to determine the property type for development (i.e., whether a project will be developed as a lot-only project, a house and lot project or a combination of both). The Company believes that its extensive experience and expertise in residential real estate development allows it to reduce costs, maintain competitive prices and increase sales. From time to time, the Company hires third-parties to design and plan projects. The work performed by these third-parties must comply with specifications provided by the Company and, in all cases, is subject to the Company's review. In particular, the Company hires third-parties, including international firms, to design projects which are complex and require specific technical expertise and to design specific high-end projects.

For its housing units, the Company internally develops the construction designs. The Company's architects and engineers are trained to design structures to maximize efficiency and minimize production costs. The Company's current designs allow customers to upgrade finishing details on a customized basis after the housing units are delivered and future vertical expansion through the addition of a second storey. The Company will continue to invest in the development of design and planning construction to further reduce costs and continue to meet customer needs.

The Company finances the development of projects through a combination of pre-sales and internally-generated funds, particularly for the construction of common areas and facilities during the early stages of a project. The Company also maintains some flexibility in timing the progress of its development projects to match the progress of pre-sales. Thus, the progress of a development is greatly influenced by the level of pre-sales.

Maintenance Fund

Death care Business

Since the sale of the Company's memorial lots and columbarium vaults require it to perform certain future and perpetual obligations, such as the payment of real estate and any other taxes that may be imposed on the memorial park or the columbarium facility, as well as the continuing operation or maintenance thereof, the Company has established perpetual care funds or maintenance funds designed to address these future and continuing obligations.

In general, the cost of these undertakings (or anticipated cost thereof) is incorporated into the purchase price for the memorial lot or the columbarium vault in the form of a one-time maintenance fee, and a portion of the proceeds collected from purchasers is then allocated into the relevant maintenance fund. Where the sale of the product is by way of installments, this maintenance fee is likewise collected ratably from each installment and set aside for such purpose.

The Company's maintenance funds typically take the form of funds escrowed with, and managed by, a third party manager under an escrow and management agreement entered into by the Company for this purpose, and the income from such maintenance funds are then used to finance the operating and maintenance costs of the applicable death care facility. Under this fund management arrangement:

- The Company has no right to amend the fund management arrangements established that may in any way reduce or impair the principal of the maintenance fund, or divert income thereof to any purpose other than the perpetual care and maintenance of the relevant memorial park or columbarium, including expenses for the maintenance and preservation of the scenery, background and landscape of its areas, cleaning, pruning and maintenance of the grounds, boundaries, walks, roadways and structures. Any release of income from the maintenance fund must be supported by receipts, billing statements, statements of account and similar documents evidencing the use of such funds for the maintenance and administrative costs of the relevant memorial park or columbarium.

- The Company has no right or authority to decrease the principal amount of the maintenance fund except for major rehabilitation of the relevant memorial park or columbarium as a result of natural calamities, fire, earthquake, typhoons, floods, civil war and the like.

- The escrow agent and fund manager may, in its sole discretion, invest the maintenance funds into the following forms of investments: (i) treasury notes or bills, BSP Certificates of Indebtedness or other government securities, bonds or other evidence of indebtedness, the servicing and repayment of which are fully guaranteed by the Government, (ii) deposits with the fund manager and other banks, and (iii) loans or investments upon the direction of the Company or of a court of competent jurisdiction or other competent authority in writing indicating the nature of the transaction, the borrower's or other party's name, the amount involved and the collateral, if any.

- In the event that the income of the maintenance fund for a period is not adequate, the balance of any repair and maintenance expenses is then financed directly by the Company.

As of December 31, 2021, the balance of the Company's maintenance funds in the aggregate amounted to ₱872 million.

Contracts with Suppliers

Death care Business

In general, the Company enters into fixed-priced standard form contracts, awarded after a bidding process, with its contractors, with the cost of materials included as part of the contract price. Payments are generally on a percentage of completion or milestone basis. In each development, contractors are managed and evaluated by a project manager, directly employed by the Company.

Project duration from launch to completion for a memorial park project or a columbarium project typically takes anywhere from one to two years, depending on the scale and size of the memorial park project or the columbarium project.

After completion of a project, the Company then engages independent contractors to operate and maintain its memorial parks and columbarium facilities. These contractors customarily provide the security, janitorial, gardening and repair and maintenance requirements of each development. The Company engages several firms, based on a competitive selection process and for fixed terms or durations, and is not dependent on any single provider for each of these various services.
However, because of the technical and highly-specialized nature of memorial services and cremations, the Company restricts the management and operation of its memorial service facilities and its crematorium to in-house personnel, rather than rely on contracted or third-party personnel. Each memorial service facility or crematorium will have its own manager, accounting and administrative, and customer support staff as well as the technical experts providing the services offered.

The Company has likewise standardized its maintenance protocols, including periodic re-planting, repainting and other maintenance activities, to which each contractor is expected to conform.

Residential Development Business

For its housing development activities, site development and construction work is contracted out to various qualified and accredited independent contractors. For larger projects, such as site development work, contracts are awarded on the basis of competitive bidding. For smaller-scale projects, such as the construction of certain structures within a project or of specific housing units, the Company will directly contract specific contractors based on its previous experience with such contractor for a specific type of project. In all cases, the Company's accreditation procedure takes into consideration each contractor's experience, financial capability, resources and track record of adhering to quality, cost and time of completion commitments. The Company maintains relationships with over 40 accredited independent contractors and deals with each of them on an arm's-length basis. The Company is not and does not expect to be dependent upon one or a limited number of suppliers or contractors.

The Company does not enter into long-term arrangements with contractors. The awarded contracts typically cover the provision of contractor's services in relation to a particular project or particular housing units. To ensure compliance with Company requirements and to maintain the quality of the developments, the Company has a team of project engineers who perform the following functions:

- Directly managing site development and construction activities;
- Coordinating the activities of the Company's contractors and suppliers;
- Overseeing quality and cost controls; and
- Ensuring compliance with zoning and building codes and other regulatory requirements.

Typically, the Company enters into fixed-price contracts with its contractors, with the cost of materials included as part of the price.

Housing unit construction will typically take two to four months to complete depending on the size. Most construction materials are provided by the contractors themselves in accordance with the terms of their contracts. In certain cases, the Company guarantees payment to the Company-specified suppliers for purchases by contractors of construction materials. In these cases, the Company makes direct payments to such suppliers, with the amounts paid by the Company for construction materials deducted from payments to the contractors.

Progress payments are made to contractors during the term of the contract based on the accomplishment of pre-determined project performance milestones. The Company usually retains 5% to 10.0% of each progress payment in the form of cash for up to three months from the date the contracted work is completed and accepted by the Company. The amounts retained are used to meet contingency costs, such as addressing claims from purchasers thereby limiting the financial burden on the Company

The Company has a broad base of suppliers.

Research and Development

Death care Business

While the Company engages in research and development activities focusing on the types of materials and designs used for memorial park and memorial chapel developments all over the world, as well as market studies on potential locations and new products, and gathering market data on the local customer base, the expenses incurred by the Company in connection with these activities are not material.

The Company's research and development activities also include organizing regular trips for its operations personnel, architects and engineers to various cities in America, Europe, and Asia to enable them to become more attuned to high quality developments and latest trends from overseas.

Residential Development Business

While the Company engages in research and development activities focusing on the types of construction materials used for its housing units, construction methodology, value-engineering for its projects and quality assurance, as well as market studies and gathering data on target retail customer base, the expenses incurred by the Company in connection with these activities are not material.

The Company's research and development activities include organizing regular trips for its operations personnel, architects and engineers to various cities to enable them to become more attuned to high quality developments and latest trends from overseas.

Insurance

Death care Business

The Company has insurance coverage for its real and personal properties, columbaries and its main office, covering fire, lighting, earthquake, typhoon and flood. The Company also maintains motor vehicle insurance, and death and total or partial disability for its employees with benefits depending on the employee's position in the Company. However, there is no assurance that the amount of cover will be adequate in the event of a covered event or that the insurers will pay in claims promptly and in full.

The Company does not carry any business interruption insurance.

Residential Development Business

The Company has insurance coverage that is required in the Philippines for real and personal property. Subject to the customary deductibles and exclusions, the Company's insurance policies include coverage for, among other things, buildings and improvements, machinery and equipment, furniture, fixtures and fittings against damage from fire and natural perils, machinery breakdown, third-party liability to the public and construction works. The Company does not carry business interruption insurance.

Sales and Marketing

Death care Business

Target Market

The Company believes that purchasers of its memorial lots, niches and eventually, its memorial services, are typically heads of households, between 25 to 55 years of age, with a median family income of between ₱75,000 to ₱100,000, and have generally attained financial stability.

In general, clients purchase the Company's memorial lots and niches in advance or before the need for such products arises.

The Company believes that proximity to the home of a prospective client dictates such client's decision to purchase a death care product or avail of death care services. Accordingly, the Company has built, and it will continue to build, death care facilities, products and services in various strategic locations across the country. The Company also believes that rising incomes and economic development in the provinces will drive demand for its products throughout the Philippines.

Sales and Agency Network

The Company has over 4,000 independent accredited agents organized into more than 150 sales networks located nationwide to generate sales of memorial lots and columbarium vaults.

The Company's agents are compensated solely on a commission basis. Agents are generally not exclusive and can offer real estate packages and other product and service offerings, including products and services that may compete with those of the Company.

The Company, through its internal marketing and sales organization, manages and monitors the performance of its sales teams and individual agents. Aside from the evaluation, training and management of the Company's independent agents, its sales and marketing organization is responsible for market evaluations, pricing and credit packages, and the preparation of marketing materials such as fliers and brochures.

Residential Development Business

Target Market

With the Company's continual growth together with its core values, the Company is truly the perfect choice for ordinary Filipinos - from OFWs to local office workers, from factory employees to entrepreneurs, from balikbayan to retirees. Until every Filipino attains the Bria Home they deserve, it will continue to welcome Filipinos to their new homes. Since its establishment, it primes itself on the development of affordable house and lot packages and easy-on-the-pocket condominium units that caters to ordinary Filipino families who aspire to acquire their own homes. It had become the perfect choice for average Filipino workers who wanted to invest in a home that is both high quality and affordable.

To date, the Company has a total of 51 developments across some of the country's most progressive towns and cities.

Sales and Agency Network

The Company believes it has one of the most extensive marketing networks of all Philippines housing development companies.

Local Marketing Network

The Company's local marketing and distribution network of independent contractors and agents for its housing development activities consists of various teams with a combined total of approximately 14,771 active agents. Of these marketing teams, 713 are accredited licensed realtors and 12 teams are direct marketing groups.

The Company believes that it offers its marketing teams competitive compensation terms. The Company's commission structure and incentive schemes vary relative to the network's affiliation and sales structure.

The Company's exclusively contracted marketing teams are compensated through a monthly allowance and are provided administrative support by the Company, including office space and expense allowances. Broker companies are compensated with relatively higher commissions with funding allocations for business development programs.

International Marketing Network

The Company believes that the OF (Overseas Filipinos) population constitutes a significant portion of the demand for its housing and land development projects. The demand comes from both the direct purchase by the OF or purchase by relatives of the OF financed by OF remittances. As such, the Company seeks to adequately service and reach the OF and international markets. For that purpose, the Company has established an extensive international marketing network.

This network consisted of over 50 partners and more than 1,300 independent agents located in countries and regions with large OF populations, including the United States, as of 31 December 2020.

Through this network, the Company is well-represented in key cities abroad with the highest concentration of OFW communities. The Company's presence is significant in countries and regions such as North America, Europe, Middle East and Asia including Japan. These international brokers are established in their respective areas and serve as the Company's marketing and promotion agents in their territories, to promote the Company and its products. In addition, some of these agents have bought houses from the Company in the past. The Company believes that its long-standing relationships with these agents over the years distinguish it from its competitors.

The Company, together with these international brokers and agents, regularly sponsors road shows and participates in international fairs and exhibits, Filipino social and professional gatherings, and other OF-related events.

In light of recent protocols, awareness efforts are now primarily conducted through digital saturation, advertising in social media platforms, and creating seamless customer experience through the company's professionally curated website. In lieu of face-to-face transactions, purely online sales conversion is now possible through dedicated e-commerce applications. Intensive campaigns are being run simultaneously to appeal to all of our target market segments everyday, and all the time.

<u>Pricing and Installment Plans</u>

Death care Business

The price of a memorial lot or niche is location specific and is dependent on several factors, including the cost of land, development and construction costs and the estimated operating costs of a memorial park or columbarium, pricing of competitors within proximity of the development, income levels of the target market, among other considerations.

Selling of prospective memorial parks and niches begin as soon as the Company has completed securing all of the necessary government approvals and has completed the preparation of marketing materials. At launch, the Company has pre-determined the number of memorial lots or niches to be offered at the launch price. Succeeding releases of memorial lots and niches are at increasing prices, depending on market demand and the acquisition of any necessary government approval.

Aside from cash purchases, the Company also offers installment plans for its memorial lots and niches allowing for monthly payments over a term of between one to five years. Mandatory down payment is typically in between 15% to 20% of the purchase price. Monthly amortizations are inclusive of an effective interest rate of 6% to 12% per annum depending on the term of the installment plan.

Installment sales are documented through a purchase agreement between the purchaser and the Company. Under these agreements, in the event of a default, the purchaser forfeits all rights to the subject memorial park lot or columbarium vault. Any refund, after evaluation and deemed valid, shall be governed by the applicable laws at the time of the purchase; otherwise, the Company retains all payments made by the purchaser as liquidated damages.

The Company believes that through the combination of its customer selection process, pricing and installment plans, it has adequately managed the risk of defaults.

Upon full payment of a memorial lot or the niche, the Company issues to its purchasers a certificate evidencing the buyer's perpetual right to use the memorial lot or the niche, as applicable.

For its memorial chapels and crematorium, Packages for chapel viewing room, inclusive of body preparation and caskets, range from PHP 100,000.00 to PHP 450,000.00. There is also a separate rate applied from cremation packages, with rates ranging from PHP 60,000.00 to PHP 370,000.00. Booking for these services require a down payment upon reservation, with balance paid upon use. The Company also offers bundled promotional rates that include both chapel viewing room, and cremation services at discounted rates.

Residential Development Business

The Company's customers can generally purchase the Company's products through:

- Government-assisted financing.
- in-house (Company-provided) financing;
- bank financing; and
- cash purchases;

Under these four major modes of payments, the Company designs flexible and creative financing packages for its customers to make their acquisitions possible.

Customers of the Company obtain financing from the Government. Government-subsidized loans under the government financial institution programs still continue to be the largest source of purchaser financing for the socialized market.

The Company also offers in-house financing to buyers. There are cases wherein in-house financing schemes serve as stepping stones to facilitate transactions. In these instances, the buyers use the in-house financing facility but convert to bank financing within a certain period.

There are also instances where customers of the company obtain Mortgage loans from private banks. These are offered to buyers who are perceived to be acceptable credit risks and certain housing price points. To streamline the loan processing application, the Company has arrangements with several banks regarding the processing of applications with respect to the financing of unit purchases.

Cash-basis acquisitions are usually given special discounts. Negotiated discounts are also allowed for accelerated payment schedules and other bulk payments. This is to encourage capable buyers to pay upfront for their property acquisition.

In-house financing

The Company has established processes and procedures designed to screen homebuyers applying for in-house financing to ensure that they are financially capable of paying their monthly amortizations. The Company conducts strict and thorough credit checks which include but are not limited to:

- employment/career/business background checks;
- credit card verification using national credit databases; and
- conducting physical verification of claims regarding residences and properties owned by the buyer.

The Company typically finances 90% to 94% of the total purchase price of the property being sold. The loans are then repaid through equal monthly installments over periods ranging from five to 15 years. The interest rates charged by the Company for in-house financing typically range from 10% per annum to 15% per annum, depending on the term of the loan, with the financing agreement providing for an escalation of the interest rate in the event of a general rise in interest rates charged by the banks and other financial institutions.

Where a buyer has obtained in-house financing for a purchase, the Company will retain the title to the property until full payment of the loan. During this period, if the buyer defaults on the payment of the monthly installments due, the Company has the right to cancel the sale and retain payments already made by the buyer. The Company faces certain risks relating to the cancellation of sales involving its residential projects and if the Company were to experience a material number of sales cancellations, the Company's historical revenues would be overstated.

Mortgage loans

Mortgage loans from commercial banks are available to individuals who meet the credit risk criteria set by the relevant bank and those individuals who are able to comply with such bank's documentary requirements and credit investigation. To assist prospective buyers to obtain mortgage financing from commercial banks, the Company has arrangements with several commercial banks. Further, the Company ensures that all of its units are properly and completely documented to adequately comply with the bank's requirements.

In addition to taking security over the property, a bank may also seek repayment guarantees from the Home Guaranty Corporation ("HGC"). The HGC is a Government-owned and controlled corporation that operates a credit guaranty program in support of the Government's efforts to promote home ownership. It provides risk guarantees and fiscal incentives for loans and credit facilities for residential purposes provided by banks and financial institutions. In the event a buyer defaults in connection with an HGC-registered loan or credit facility, the HGC guarantees the payment to the extent of the outstanding balance, interest and yield. The interest and yield on loans and credits guaranteed by the HGC is exempt from taxation.

Customer service and warranties

The Company believes it is important to ensure that quality service is afforded to homebuyers throughout and after the relevant sales period, including during house lay-out, construction, move-in and introduction to the homeowners' association. The Company's Customer Care Department (the "CCD") has qualified staff dedicated to addressing these concerns.

Apart from the standard contractual warranties on the purchased unit, for each project the Company engages the services of a professional property management group which oversees the affairs of the homeowners' association. This helps homebuyers to achieve a smooth introduction to their new neighborhood and further enhances good customer relations. The property management group's functions include financial management, security, landscape maintenance and association social activities.

Construction stage

At this stage, the production team takes over and starts the actual construction of the unit. However, the CCD still takes active part by coordinating with the homebuyers and updating them on the developments of his housing unit. At any time of the construction, the homebuyer can opt to enroll in a CCD program where he can schedule a visit and inspection of his housing unit with the assistance of a technical staff who will be on hand to explain or answer any questions or requests.

Move-in and introduction to homeowners' association

Upon completion of the house, the CCD facilitates turn-over of the unit to the homebuyer. This includes delivery of certificates of warranty/guarantee on the housing unit and a comprehensive homeowner's kit. The Company has an established system to address homebuyer's concerns especially in the first 3 months of move-in. The Company puts great emphasis on the timing of responding to any such concerns, ensuring that repairs/rectification procedures are at par with the Company's standards. While there is a standard policy on repairs, the Company, on a case-to-case basis, extends its services beyond these procedures to better achieve total customer satisfaction.

Competition

Death care Business

The Philippine death care industry is fragmented. Companies within the industry provide only segments of the death care value chain which covers a range of products and services starting from memorial services (inclusive of embalming, cleaning, and cosmetic restoration), memorial chapel spaces leased out for the wake period prior to cremation or burial, death care merchandise sales (caskets, urns, keepsakes, tombstones, and other similar products), cremation, burial services, to the sale of memorial lots and columbarium niches.

Although the Company is unique in its capacity to offer products and services in more than one segment of the death care industry, the Company competes against other service providers in various segments of the death care value chain.

For the sale of memorial lots, the Company competes against other large developers such as the Manila Memorial Parks Group, the Holy Cross Memorial Parks Group, the Eternal Gardens Memorial Parks Group and the Forest Lake Memorial Parks Group.

Aside from the foregoing major developers, the Company competes against smaller memorial park developers throughout the country. These would typically be family-owned corporations with relatively smaller memorial park projects in select provinces.

There are likewise several developers of columbarium projects in the country. The Company believes that most of these developers would be single-project companies, typically in Metro Manila and surrounding provinces. Several parish churches in Metro Manila have built small columbaries within or adjacent to the church compound which are offered to the public.

With respect to memorial services, the Company will compete against several established companies in the country, such as St. Peter Chapels, La Funeraria Paz, Loyola Memorial Chapels and the Cosmopolitan Memorial Chapels.

Residential Development Business

The residential development market in the Philippines is intensely competitive. The Company has significant competitors for its socialized housing and land development business particularly within each project's localized area, wherein family build-and-sell businesses thrive and are able to offer lower packages at the expense of quality. Nevertheless, the Company's strong regulatory know-how, solid execution track record and nationwide footprint are difficult to replicate and effectively serve as a strong barrier against competition on a nationwide level. Because of the availability of joint venture arrangements with landowners and the ability to finance these projects through unit pre-sales, it is relatively easy for smaller players to enter into this business. There is, therefore, competition for land that is suitable for project development. There is also competition among various developers for residential real estate brokers.

Currently, the Company's competitors in its residential development business include companies such as Deca Homes (8990 Holdings, Inc.), Homemark Inc., Charles Building (Charles Builder Group of Companies), New Apec, Fiesta Communities, Borland, Axeia, Lynville, Pro Friends and others. On the basis of publicly available information and its own market knowledge, the Company believes that it is positioned to be one of the leading property developers in the Philippines that is focused on the mass market segment. The Company's management also believes that the Company is able to offer competitive commissions and incentives for brokers and that the Company is able to compete on the basis of the pricing of its various products as well as brand recognition.

Transactions with related parties

Please refer to Item 12 of this report ("Certain Relationships and Related Transactions).

Intellectual Property

The Company owns a variety of intellectual property rights for its brands, including the trade or business name "Golden Haven" and the Golden Haven trademark, and has applications for registration of additional trademarks, including the Santuario de San Ezekiel Moreno, Bria Homes and Bria Flats trademark, pending with the Intellectual Property office. These trademarks are important in the aggregate because name recognition and exclusivity of use are contributing factors to the success of the Company's developments.

Trademarks are considered as one of the most effective marketing tool of a Company, because trademarks can easily be identified and remembered. As such, they are considered as brand or service identifiers. While Philippine law does not require the registration of trademark used or to be used by companies, nor is it required for business operations, the registration of company trademarks is necessary in order for the company to have the exclusive right to use the same in connection with the services it provides.

Regulatory and Environmental Matters

Death care Business

The development of death care facilities such as memorial parks, columbaries and crematory facilities is highly complex, and the construction, operation and maintenance thereof are subject to extensive and continuing regulation in the Philippines. The following is a discussion of the material Philippine legislation governing the death care business, though it does not purport to be a comprehensive description of all laws that may apply to the Company, its business and its operations.

As of the date of this filing, the Company believes that it has secured all material licenses, permits, consents and registrations from the relevant regulatory authorities that it is required to obtain under applicable law to enable it to engage in the development, operation and maintenance of memorial parks and columbaries.

Zoning and Land Use

Death care industry encompasses funeral homes, memorial parks or cemeteries and crematoria. Zoning is the delineation or division of a city or municipality into functional zones where only specific land uses are allowed.

Local Government Code

Land use may be limited by zoning ordinance enacted by Local Government Units ("LGUs"). Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. The appropriate *Sanggunian Bayan* or the *Sangguniang Panglungsod* has the power to enact integrated zoning ordinances in consonance with the approved comprehensive land use plan.

The *Sangguniang Bayan* or the *Sangguniang Panglusod* also has the power to regulate the establishment, operation, and maintenance of funeral parlors and the burial or cremation of the dead.

Agrarian Reform Law

Under Republic Act No. 6657, otherwise known as the "Comprehensive Agrarian Reform Law of 1988", the approval by the DAR is necessary for the reclassification or conversion of land to non-agricultural use.

National Building Code of the Philippines

Presidential Decree No. 1096, otherwise known as the "National Building Code of the Philippines", establishes the framework of minimum standards and requirements for all buildings and structures by guiding, regulating, and controlling their location, site, design, quality of materials, construction, use, occupancy, and maintenance, including their environment, utilities, fixtures, equipment, and mechanical electrical, and other systems and installations.

A building permit from the Building Official shall be required in all construction, alteration, repair, movement, conversion or demolition of any building or structure.

Funeral establishments, memorial parks or cemeteries and crematoria must comply with the pertinent provisions of the National Building Code of the Philippines.

Housing and Land Use Regulatory Board

Executive Order No. 648 series of 1981 ("E.O. No. 648"), as amended by Executive Order No. 90, declared the HLURB as the planning, regulatory and quasi-judicial instrumentality of the government for land use development. HLURB has the power to promulgate zoning and other land use control standards and guidelines which shall govern land use plans and zoning ordinances of LGUs. Pursuant to this, HLURB enacted rules and regulations for memorial parks or cemeteries and funeral establishments.

Funeral Establishments

HLURB, pursuant to E.O. No. 648, issued the "Implementing Rules and Regulations to Govern the Processing of Applications for Locational Clearance of Funeral Establishments" ("IRR for Funeral Establishments") on 10 March 1999. These regulations set out the guidelines for the application of locational clearance, design standards and necessary permits for the operation of funeral establishments.

Under the IRR for Funeral Establishments, funeral establishments are classified into three categories: (a) Category I - funeral establishments with chapels and embalming facilities and offering funeral services; (b) Category II - funeral establishments with chapels and offering funeral services without embalming facilities; and (c) Category III - funeral establishments offering only funeral services from the house of the deceased to the burial place. Depending on the category, a funeral establishment may only be established within a specific zone.

A locational clearance is required for all proposed funeral establishments. In addition, all funeral establishments must comply with the Code on Sanitation of the Philippines on sanitary permits and sanitary requirements for funeral chapels, embalming and dressing room and morgue.

The DOH and the respective LGU shall have the authority to monitor funeral establishments.
Memorial Parks or Cemeteries

HLURB, pursuant to E.O. No. 648, promulgated the "Rules and Regulations for Memorial Parks/Cemeteries". These regulations set out the guidelines for the development and operations of proposed and existing memorial parks or cemeteries and define location restrictions, design parameters and road specifications.

All memorial parks or cemeteries must be located in areas zoned for cemetery purposes, in accordance with the comprehensive land use plan or zoning ordinance, or in the absence thereof, in areas deemed appropriate by the HLURB. They shall not be allowed in environmentally critical areas, as defined in Presidential Proclamation No. 2146 series of 1981, or on grounds where water table is not higher than four and 4.50 meters below ground surface as certified by the National Water Resources Board ("NWRB").

The LGU concerned must approve the Preliminary Memorial Park or Cemetery Plan and Final Memorial Park or Cemetery Plan. Approval of the Preliminary Memorial Park or Cemetery Plan shall be valid only for a period of one hundred eight days from date of approval and may be revalidated once after expiration of said period.

The approval of the Final Memorial Park or Cemetery Plan is shown by the issuance of a development permit by the LGU concerned. The development permit shall be valid for a period of two years from date of issue; however, if physical development is not commenced within said period, the grantee of the permit may apply for its revalidation within the next succeeding year. If development permit expires, no development shall be allowed unless a new application for approval is filed.

All existing memorial parks or cemeteries, or proposed memorial parks or cemeteries which are being developed for perpetual lease or sale of plots and has accomplished at least 20% of the total development, must be registered with the HLURB is necessary. The survey returns of the mother title including the technical description of each lot (i.e., section and block with number of lots per block in each section of the lot), which shall form part of the certificate of lease or deed of sale, shall be registered with the HLURB. No owner or dealer shall lease or sell any plot without a license issued by the HLURB.

Crematoria

The Rules and Regulations for Memorial Parks/Cemeteries also set out the minimum requirements for the construction of crematoria. All crematoria must comply with design parameters such as types of rooms, design of the smoke stack and crematorium oven temperature.

Code on Sanitation of the Philippines

Presidential Decree No. 856 ("P.D. No. 856"), otherwise known as the "Code on Sanitation of the Philippines", is the consolidation of health laws and regulation on sanitation to ensure that protection and promotion of health. Chapter XXI of P.D. No. 856 covers the disposal of dead persons. The sanitary requirements for funeral establishments, memorial parks or cemeteries and crematoria are laid out in the Code on Sanitation. The Regional Health Director, or his duly authorized representative, shall have the authority to monitor and implement the sanitary rules and regulations.

The DOH, through Administrative Order No. 2010-0033 ("DAO No. 2010-0033") issued on 6 December 2010, has promulgated revised implementing rules and regulations to regulate the practice of embalming. Embalmers are required to obtain license from the DOH, which is renewable every three years, before they are allowed to practice. DAO No. 2010-033 has also expanded the coverage of communicable diseases, which require documentary requirements for the deceased to be transported from the place of death to burial or cremation.

Funeral Establishments

Funeral establishments are required to obtain sanitary permit issued by the local health office, which shall be valid for one year ending on the last day of December and shall be renewed every first month of the year.

Memorial parks or cemeteries

Memorial parks or cemeteries are required to obtain operational clearance issued by the regional health director and sanitary permit issued by the local health office.

Crematoria

All crematoria shall submit a feasibility study reviewed by the regional health office and approved by the Secretary of Health. A sanitary permit issued by the local health office shall also be required of all crematoria. The sanitary permit shall be valid for one year ending on the last day of December and shall be renewed every first month of the year.

Environmental Laws

Philippine Environmental Impact Statement System

The Philippine Environmental Impact Statement System was established by virtue of Presidential Decree No. 1586. Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate ("ECC") prior to project construction and operation. Through its regional offices or through the Environmental Management Bureau ("EMB"), the DENR determines whether a project is environmentally critical or located in an environmentally critical area.

As a prerequisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("EIS") to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination ("IEE") to the proper DENR regional office, without prejudice to the power of the DENR to require a more detailed EIS. The EIS refers to both the document and the environmental impact assessment of a project, including a discussion of direct and indirect consequences to human welfare and ecology as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the terms and conditions of an EIS or an IEE may vary from project to project, at a minimum, they contain all relevant information regarding the environmental effects of a project. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS system. The EIS system successfully culminates in the issuance of an ECC.

The ECC is a government certification that (i) the proposed project or undertaking will not cause a significant negative environmental impact, (ii) the proponent has complied with all the requirements of the EIS system, and (c) the proponent is committed to implement its approved environmental management plan in the EIS or, if an IEE was required, that it will comply with the mitigation measures suggested therein. The ECC contains specific measures and conditions that the project proponent must undertake before and during the operation of a project, and in some cases, during the abandonment phase of the project to mitigate identified environmental impact.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued to projects determined by the DENR to pose significant public risks to life, health, property and the environment. The EGF is intended to answer for damages caused by such projects as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. The EMF shall be used to support activities of a multi-partite monitoring team that will be organized to monitor compliance with the ECC and applicable laws, rules, and regulations.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

Memorandum Circular No. 005-14 issued by the EMB on 7 July 2014 provides EMB with the guidelines in determining whether a proposal has potential impact to the environment. Criteria used in the categorization includes, among others, the likelihood, duration, frequency and magnitude of the potential impact as well as the spatial and temporal extent of the projected impact. To facilitate the expedient screening, a ready matrix for determining the category in which proposed projects fall is provided. Memorial parks or cemeteries with an area of more than five hectares while funeral establishments and crematoria with an area of more than one hectare are required to secure an ECC.

Philippine Clean Air Act of 1999

Republic Act No. 8749, otherwise known as the "Philippine Clean Air Act of 1999", focuses primarily on pollution prevention and provides for a comprehensive management program for air pollution. The law bans burning of municipal, biomedical and hazardous waste. However, crematoria are expressly exempt from this prohibition.

Consistent with the policies of said law, all planned sources of air pollution that have the potential to emit 100 tons per year or more of any regulated air pollutant, or when required under the ECC, must secure an Authority to Construct from the EMB prior to commencement of construction or modification activities. Once new source construction or modification is completed, the source owner shall request the EMB to convert to Authority to Construct to Permit to Operate. The Authority to Construct is a one-time permit. Permit to Operate is valid for the period specified but not beyond one year from the date of issuance, unless sooner suspended or revoked. It may be renewed at least thirty days before its expiration date.

Philippine Clean Water Act of 2004

Republic Act No. 9275, otherwise known as the "Philippine Clean Water Act of 2004", focuses primarily on water quality management in all water bodies and the abatement and control of pollution from land based sources. All owners or operators of facilities that discharge regulated effluents pursuant to this Act are required to secure a permit to discharge. The discharge permit shall be the legal authorization granted by the DENR to discharge wastewater.

Ecological Solid Waste Management Act

Republic Act No. 9003, otherwise known as the "Ecological Solid Waste Management Act of 2000", provides the legal framework for the systematic, comprehensive, and ecological solid waste management program which shall ensure protection of the public health and the environment. Solid waste management is required to be observed by funeral establishments, memorial parks or cemeteries and crematoria, in accordance with the Code on Sanitation of the Philippines.

Regulatory and Environmental Matters

Residential Development Business

The Company secures various government approvals such as license to sell, development permits, environmental compliance certificate, etc. as part of the normal course of its business

The Company has no principal products with pending government approval as of December 31, 2020.

The Company typically spends about 1% of the total costs of development for environmental laws compliance. By doing such compliance, the company is able to help in the preservation of the environment as part of its social corporate responsibility.

Property Taxation

Real property taxes are payable annually based on the property's assessed value. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. An additional special education fund tax of 1% of the assessed value of the property is also levied annually.

Employees

The following table provides a breakdown of the Company's regular employees as of December 31, 2021:

Department	Headcount
Operations	277
Technical	69
Administration	340
Total*	**686**

*consolidated number for death care and residential development business

The Company has no collective bargaining agreements with its employees and none of its employees belong to a labor union. The Company believes its relationships with its employees are generally good.

<u>Risks related to the Company's Business</u>

Risk relating to competition

Death care Business

The Philippine death care services industry is fragmented and is made up of several non-integrated service providers providing pre-need burial packages, memorial service packages and memorial lots or niches. At present, the Company believes that it is the only company in the Philippines that is positioned to provide the full range of integrated death care services, covering the provision of memorial, crematory and chapel services to the sale of death care merchandise, memorial lots and columbarium niches.

Despite this competitive positioning, the Company competes against several major companies in each aspect of death care. Some of its competitors have had a longer operating history and higher name recognition and there is no assurance that the Company will be a customer's first choice when death care services are required. Some of the current competitors and new entrants may also offer integrated services death care services, reducing the competitive positioning that the Company aims to achieve.

Aside from these major companies, the Company also competes against smaller, typically family-owned companies that operate memorial parks and provide other death care services in towns and provinces that the Company operates or intends to operate in. These smaller companies can offer death care services at substantially lower prices than the Company's offerings. Given the competition from various industry participants, the Company will continuously have to market, promote, and price its products and services but there is no assurance that such efforts will be successful.

Residential Development Business

The Company faces significant competition in the Philippine residential property development market. In particular, the Company competes with other developers in locating and acquiring (either directly or through joint venture arrangements) parcels of land of suitable size in prime locations and at attractive prices. The Company's continued growth also depends in large part on its ability either to acquire quality land at attractive prices or to enter into joint venture agreements with land-owning partners under terms that yield reasonable returns. Based on the Company's current development plans, the Company believes that it has sufficient land reserves for property developments for the next several years. If the Philippine economy continues to grow and if demand for residential properties remains relatively strong, the Company expects that competition among developers for land reserves that are suitable for property development (whether through acquisitions or joint venture agreements) will intensify and that land acquisition costs, and its cost of sales, will increase as a result.

The Philippine residential property development market is highly competitive. The Company's existing and potential competitors include major domestic developers and, to a lesser extent, foreign developers, including several leading developers from Asia and other parts of the world. Some of these competitors may have better track records, greater financial, human and other resources, larger sales networks and greater name recognition than the Company. Competition from other developers may adversely affect the Company's ability to develop and sell its products, and continued development by other market participants could result in saturation of the residential real estate market.

To mitigate this risk, the Company conducts regular market study and business intelligence updates in order to understand industry and market dynamics.

Risks relating to land acquisition and land bank management

Beyond the sales of its existing and prospective inventory, the Company's future growth and development are heavily dependent on its ability to acquire or enter into agreements to develop additional tracts of land suitable for memorial parks, chapels, columbaria, memorial service facilities projects and mass residential housing developments at commercially viable prices. Future land acquisition efforts may be adversely affected by competition for targeted properties from other death care service providers and mass residential housing developers, as well developers of other forms of real estate projects. There is no assurance that the Company can be successful in acquiring properties for its expansion or that the Company can acquire land at costs that will allow the Company to achieve the same level of profitability previously enjoyed.

Aside from competition, the ability to acquire lands for expansion can be adversely affected by existing and prospective Government policies and rules regarding land use, zoning and conversion. The Company may encounter instances where zoning conversion applications from agricultural land to cemetery land, for example, may not be granted or may entail time periods or costs that are significantly longer or greater than expected. In such situations, the financial position and growth prospects of the Company may adversely be affected.

In addition other factors make the task of acquisition difficult, including (a) ideal location; (b) suitable size; (c) economically acceptable price; and (d) legal and informal settler issues.

The Company may have difficulty in attracting land owners to enter into joint venture agreements with it. Key issues revolve around profit and development cost sharing which affect expected investment returns. Other issues could be differences in intangible objectives, land ownership squabbles and other non-economic hindrances.

In the event the Company is unable to acquire suitable land, or to enter into agreements with joint venture partners to develop suitable land at acceptable prices, with reasonable returns, or at all, its growth prospects could be limited and its business and results of operations could be adversely affected.

a) The Company also faces risks relating to the management of its land bank, which could adversely affect its margins.

   The land banking function is critical to the success and future operations of the Company. The Company must continuously acquire land for replacement and expansion of land inventory within its current markets. The risks inherent in purchasing and developing land increase as consumer demand for residential real estate decreases. The market value of land, subdivision lots and housing inventories can fluctuate significantly as a result of changing market conditions. The Company cannot assure investors that the measures it employs to manage land inventory risks will be successful. In the event of significant changes in economic, political, security or market conditions, the Company may have to sell subdivision lots and housing units at significantly lower margins or at a loss. Changes in economic or market conditions may also require the Company to defer the commencement of housing and land development projects. This would require the Company to continue to carry the cost of acquired but undeveloped land on its balance sheet, as well as reduce the amount of property available for sale. Any of the foregoing events would have a material adverse effect on the Company's business, financial condition and results of operations.

   The Company mitigates this risk by having an in-house group composed of senior managers whose primary responsibility is to search (for suitable properties), negotiate (including joint-venture options), acquire and manage its strategic land bank. The land bank management group is comprised of technical, finance and legal experts, and is aided by the Company's network of brokers. The Company also maintains goodwill amongst the owners of major tracts of land in the Philippines. Through the foregoing, the Company continually identifies attractive locations for future projects, prospective partners and negotiates joint venture arrangements to ensure a long-term pipeline of developmental projects.

b) Titles over land owned by the Company may also be contested by third parties.

   The Philippines has adopted a system of land registration which is intended to conclusively confirm land ownership, and which is binding on all persons (including the Government); however, it is not uncommon for third parties to claim ownership of land which has already been registered and over which a title has been issued. There have also been cases where third parties have produced false or forged title certificates over land. From time to time the Company has had to defend itself against third parties who claim to be the rightful owners of land which has been either titled in the name of the persons selling the land to the Company or which has already been titled in the name of the Company.

Historically, these claims have not had a material adverse effect on the Company and its business, but in the event that a greater number of similar third-party claims are brought against the Company in the future, or any such claims are made against land that is material to the Company's housing and land development, memorial projects, the Company's management may be required to devote significant time and incur significant costs in defending against such claims. Should any of these claims prosper, the Company may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material in the context of the Company's housing and land development projects. Any of the foregoing circumstances could adversely affect the Company's business, financial condition and results of operations, as well as on its business reputation.

To mitigate this risk, the Company uses legal and technical research to establish the integrity of the legal title to any piece of land before concluding any transaction, be it an acquisition or joint venture.

Risks relating to specific target markets on residential development segment

The Company's sales to OFWs and expatriate Filipinos comprise a significant portion of the Company's revenues. While the Company sees this segment as continuously growing, and providing it with buyers in the years to come, it is also prone to downturns, which can affect the Company's performance. These downturns may lead to (a) reduced deployment of new OFWs; (b) reduced remittances from abroad; (c) a lower purchasing power of expatriate Filipinos than currently enjoyed; or (d) any combination or all of the above, and could adversely affect demand for the Company's residential development projects from OFWs and expatriate Filipinos. Such reduction in demand could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate the possible impact of a sudden downturn in the OFW market, it is the Company's business strategy to diversify its product offerings to serve as wide a market as possible. Any adverse developments in any one property sector may be offset or mitigated by more positive developments in other sectors. The Company also closely monitors the factors that may affect the OFW market so that the Company can take the necessary corrective measures.

Risk relating to property development and construction management

a) The Company is in a business that carries significant risks distinct from those involved in the ownership and operation of established properties. This includes the risk that the Company may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales and which may not be commercially viable. Slippages may occur in obtaining required Government approvals and permits, resulting in more costs than anticipated, or inability to complete the project on schedule and within budget.

   Likewise, the time and the costs involved in completing the development and construction of projects can be adversely affected by many factors, including: (a) shortages of materials, equipment, skilled labor; (b) adverse weather conditions; (c) peso depreciation; (d) natural disasters; (e) labor disputes with contractors and subcontractors; (f) accidents; (g) changes in laws or in Government priorities; and (h) other unforeseen problems or circumstances. Where land to be used for a project is occupied by tenants and/or informal settlers, the Company may have to take steps, and incur additional costs, to remove such occupants and, if required by law, to provide relocation facilities for them. Any of these factors could result in project delays and cost overruns, which could negatively affect the Company's margins. This may also result in sales and resulting profits from a particular development not being recognized in the year wherein which it was originally expected to be recognized, which could adversely affect the Company's results of operations for that year. Further, the failure by the

Company to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns.

Further, increasing demand for the Company's death care services requires a continuous ability to foresee, recognize and adapt to shifting consumer preferences and changes in the traditions, practices and cultural beliefs of the market. For example, a shift from the tradition of using memorial lots to vaults will adversely affect the demand for memorial park projects. A shift in the tradition of storing urns in columbarium facilities to home storage or spreading of ashes will affect the performance of columbarium projects. Emerging trends, such as resonation, cremation, green burials, among others, may reduce the demand for certain services that the Company currently offers. While the Company monitors prevailing market preferences, traditions and practices as part of its marketing and product development efforts, there can be no assurance that the Company will successfully identify, or adapt to, any such disruptive trends in time. Additionally, the emergence of such disruptive trends may require additional investments and costs to allow the Company to adapt to these changes, and any such costs may adversely affect the Company's results of operations and profit margins.

The Company cannot provide any assurance that such events will not occur in a manner that would materially and adversely affect its results of operations or financial condition.

To mitigate this risk, the Company continuously seeks to improve its internal control procedures and internal accounting and to enhance project management and planning. Further, the Company substantially finances its development projects through pre-sales and internally generated funds, which allows it to maintain some flexibility in timing the progress of its projects to match market conditions.

b) The Company relies to a significant extent on independent contractors for the development and construction of the Company's products. Their availability and quality of workmanship may not meet the Company's quality standards, or cause project delays and cost overruns. The Company's reputation will be adversely affected if projects are not completed on time or if projects do not meet customers' requirements.

The Company relies on independent contractors to provide various services, including land clearing and infrastructure development, various construction projects and building and property fitting-out works. There can be no assurance that the Company will be able to find or engage an independent contractor for any particular project or find a contractor who is willing to undertake a particular project within the Company's budget, which could result in costs increases or project delays. Further, although the Company's personnel actively supervise the work of such independent contractors, there can be no assurance that the services rendered by any of its independent contractors will always be satisfactory or match the Company's quality standard requirements. Contractors may also experience financial or other difficulties, and shortages or increases in the price of construction materials may occur, any of which could delay the completion or increase the cost of certain housing and land development projects, and the Company may incur additional costs as a result thereof. Any of these factors could have a material adverse effect on the Company's business, financial condition and results of operations.

If any of the Company's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues or otherwise, this could have a negative effect on the Company's reputation and make it more difficult to attract new customers to its new and existing housing and land development projects. Any negative effect on the Company's reputation or its brand could also affect the Company's ability to pre-sell its housing and land development projects. This would impair the Company's ability to reduce its capital investment requirements. The Company cannot provide any assurance that such events will not occur in a manner that would adversely affect its results of operations or financial condition.

As with most major property development companies, the Company manages these development and construction risks by ensuring that contractual arrangements with builders, engineers, suppliers and other contractors clearly specify costs, responsibilities and the appropriate benefits or penalties that may accrue to all parties in the event of favorable or adverse developments. The Company also maintains an experienced in-house team of engineers and technicians who are tasked to oversee and manage each project.

As and when needed, the Company may also avail of the services of independent project managers and quantity surveyors to supplement its in-house project management capabilities

Risks relating to external marketing groups

The Company relies extensively on third party agents to sell its products and services in the country. As the terms of engagement by the Company of these agents are non-exclusive, these agents, in general, may likewise offer products and services of the Company's competitors. The Company cannot give any assurance that these agents will give adequate focus to the Company's products and services and not favor or give priority to any other products these agents may otherwise offer. If a large number of these agents were to reduce focus on the Company's products and services, or otherwise terminate their arrangements with the Company, there can be no assurance that the Company would be able to replace these agents in a timely or effective manner.

The Company also has limited control over these third-party agents and cannot monitor all aspects of their work. With this limited control, the Company cannot give assurance that none of its third-party agents will make misleading representations and promises on the Company's products and services, leading to customer disputes and damage to the Company's reputation.

The Company mitigates this risk by establishing its own in-house sales force, which are tasked to market and sell only Company products. The Company also provides its brokers and sales agents with competitive commission schemes and other incentives. Beyond this, the Company gives its sales force skills-build-up programs as a way of planning and managing their career growth with the Company. A parallel effort is the continuous recruitment of competent brokers and sales agents.

Risks relating to project and end-buyer financing

a) Fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.

   Interest rates, and factors that affect interest rates, such as the Government's fiscal policy, could have a material adverse effect on the Company and on the demand for its products. For example:

   - In connection with the Company's property development business, higher interest rates make it more expensive for the Company to borrow funds to finance ongoing projects or to obtain financing for new projects.

   - Because a substantial portion of the Company's customers procure financing (either from banks or using the Company's in-house financing program) to fund their property purchases, higher interest rates make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential projects.

   In order to mitigate these risks, the Company substantially finances its development projects through pre-sales and internally generated funds. In this way, the Company maintains some flexibility in timing the progress of its development projects to match market conditions. The Company attempts to keep its costs down and selling price stable by lowering material costs through purchasing in bulk.

b) The Company is exposed to risks associated with its in-house financing activities, including the risk of customer default, and it may not be able to sustain its in-house financing program.

   The Company offers in-house financing to customers, which may expose the Company to risks of customers missing on their payments and/or defaulting on their obligations that may lead to sales cancellations. The Company cannot adequately assure the resale of any property whose prior sale has been cancelled.

   The Company has used funds obtained from receivables rediscounting facilities with commercial banks to balance its liquidity position. An inability to sell receivables would remove a source of potential external financing, increasing its reliance on internally generated funds or non-receivable external financing.

To mitigate these risks, the Company attempts to decrease the occurrence of financial defaults and sales cancellations due to the inability to pay by enforcing strict credit investigation policies and procedures. For ongoing in-house loans, the Company monitors each and every account to assist buyers and to provide immediate remedial measures in problem cases. The Company also spreads the financing risk by encouraging buyers to avail of commercial bank retail financing facilities.

c) The Company's business and financial performance could be adversely affected by a material number of sales cancellations.

As a developer and seller of residential real estate, the Company is subject to Republic Act No. 6552 (the "Maceda Law"), which applies to all transactions or contracts involving the sale or financing of real estate through installment payments, including residential condominium units. Under the Maceda Law, buyers who have paid at least two years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments and who default on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without right of refund.

Historically, the Company has not experienced a material number of cancellations to which the Maceda Law has applied; however, this is no assurance that such an event will not happen. An economic downturn, high interest rate episodes, and others could trigger such sales cancellations. Should this happen, the Company may not have enough funds on hand to pay the necessary cash refunds to buyers, or the Company may have to incur indebtedness in order to pay such cash refunds. As mentioned earlier, the Company cannot assure the resale of a cancelled property, particularly during periods of economic slowdowns or downturns. Any of these events would adversely affect the Company's business, financial condition and results of operations.

In the event the Company experiences a material number of sales cancellations, the Company's historical revenues would have been overstated because such historical revenues would not have accurately reflected subsequent customer defaults or sales cancellations. Investors are also cautioned not to rely on the Company's historical income statements as indicators of the Company's future revenues or profits.

There can be no assurance that the Company will not suffer from substantial sales cancellations and that such cancellations will not have a material adverse effect on its financial condition and results of operations.

To mitigate this risk, the Company has a structured and standardized credit approval process, which includes conducting background and credit checks on prospective buyers using national credit databases and, where feasible, conducting physical verification of claims regarding residences and properties owned. From time to time, the Company utilizes its receivables rediscounting lines with banks and other financial institutions and sells installment contract receivables. The Company ensures that all buyers are made aware of their responsibilities and obligations, and the resulting penalties for non-compliance. Each and every account is monitored to assist buyers and to provide immediate remedial measures in problem cases.

The Company faces risks associated with certain recent memorial park acquisitions.

As of the date of this filing, the Company has entered into agreements for the acquisition of properties with the objective of developing these properties into memorial parks with products conforming to the Company's product and pricing policies. As of the date of this report, the terms of the sale of certain properties that the Company has agreed to acquire have not yet been completed. While the Company believes that it has exercised prior due diligence in evaluating such acquisitions, there can be no assurance that the Company will not in the future be involved in or subject to claims, allegations or suits with respect to the previous business and operations of these memorial parks which arose prior to the acquisitions. Should such claims, allegations or suits arise, claimants may (rightfully or wrongly) seek redress or compensation for their claims against the Company's present management or assets, and the Company may still be at risk under principles of successor-in-interest liability. Despite the fact that the Company has, as part of such acquisitions, provided for indemnities against certain liabilities or claims or established other contractual protections, any adverse claim or liability could expose the Company to negative publicity, which could have a material adverse effect on its business and prospects, financial condition, and results of operations.

Risk relating to management of growth

a) The Company intends to continue to pursue an aggressive growth strategy for its new memorial park developments; the construction and sales of more columbarium facilities, the provision of additional facilities for memorial services, sale of death care merchandise, and mass residential property and land development business. The Company foresees that this strategy will mean that management resources will be reallocated from the Company's current operations. The growth strategy will also entail creating and managing relationships with a larger group of third parties such as customers, suppliers, contractors, service providers, lenders, etc. This expansion of the Company's operations will require significant capital expenditure to finance new development projects, causing the Company to take on additional debt. It thus becomes necessary to manage the internal control and compliance functions so that compliance with legal and contractual obligations is maintained and, at the same time, operational and compliance risks are minimized.

The Company faces several risks in the execution of these initiatives; these include overestimated demand and sales expectations, actual supply and cost of land for its development, construction cost overruns, the timely grant of regulatory approvals and permits, and the performance of the Company's personnel and third-party contractors.

Even with these safeguards, there is no assurance that the Company will not experience any difficulties in the course of implementing its growth strategy. These difficulties can come in the form of capital constraints, construction delays, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate the expanded business. An inability or failure to successfully adapt to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated, if at all. If the Company is not able to manage these execution risks, its expansion initiatives may fall short of expectations and these problems could adversely affect the Company's reputation, the business, and results of operations or financial condition.

To mitigate this risk, the Company substantially finances its development projects through pre-sales and internally generated funds. In this way, the Company maintains some flexibility in timing the progress of its development projects to match market conditions.

b) The Company is still in the process of fully upgrading and integrating its operational and financial reporting systems and may experience difficulty in providing the Company's management and investors with financial information, particularly for interim periods.

To mitigate this risk, the Company conducts regular meetings and requires briefing from key departments.

The Company faces risks relating to its prospective memorial parks and columbaria, chapels and memorial service facilities, including risks relating to project cost and completion.

A significant part of the Company's business is the development and sale of its memorial parks, and the development and sale of its columbarium projects. The Company also anticipates a steady stream of recurring revenues and income from services provided by its recently opened crematoriums, chapels and memorial service facilities. All these developments involve significant risks, such as the risk that the Company may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales or which may not be commercially viable. In addition, the time and the costs involved in completing the development and construction of these projects can be adversely affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, peso depreciation, natural disasters, labor disputes with contractors and subcontractors, accidents, changes in laws or in Government priorities and other unforeseen problems or circumstances. Any of these factors could result in project delays and cost overruns, which could negatively affect the Company's margins. Especially in the case of revenues recognized from sales of its memorial lots and columbarium projects, project delays may also result in sales and resulting profits from a particular development not being recognized in the year in which it was originally expected to be recognized, which could adversely affect the Company's results of operations for that year. Further, the failure by the Company to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns. The Company cannot provide any assurance that such events will not occur in a manner that would materially and adversely affect its results of operations or financial condition.

Abrupt movements in inflation and yields on investment assets may adversely affect the Company's ability to meet its costs of maintaining its memorial parks and columbaria.

The Company relies on financial budgeting models to set up funds aimed to meet maintenance obligations of its memorial parks and columbaria and these models rely on assumptions with respect to sales volumes and collections, maintenance costs over time, and returns on the funds' investment assets. Significantly adverse deviations from these assumptions, such as slower than expected sales volumes, higher costs of materials and labour, the occurrence of natural disasters, fire and other similar events, and the yields on the investment funds assets, can make actual returns generated by investment funds insufficient to meet the Company's maintenance obligations. Such situations will reduce the Company's profits and cash flow in the future.

Compliance with environmental, health, safety and other government regulations and costs associated therewith may adversely affect the Company's results of operations or profit margins.

The Company's operations require compliance with government environmental, health, safety and other regulations and the procurement of various approvals, permits and licences from certain government agencies. For example, before any of the Company's properties may be fully developed into memorial parks or columbarium facilities, such development must have complied with pertinent regulations relating to, among others, land conversion, zoning and environmental clearances from the Housing and Land Use Regulatory Board ("HLURB"), the Laguna Lake Development Authority ("LLDA"), Department of Natural Resources ("DENR"), Department of Agrarian Reform ("DAR") and Department of Health ("DOH"), and other local government agencies. Other death care services, on the other hand, require periodic approvals, registrations and reportorial compliance with the DOH. The Company has incurred and will continue to incur costs and expenses to comply with such laws and regulations. Violations of these laws or regulations could result in regulatory actions with substantial penalties and there can be no assurance that the Company will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to environmental, health and safety matters, the costs of which could be material. In addition, any significant change in such laws or regulations or their interpretation, or the introduction of higher standards or more stringent laws or regulations could result in increased compliance costs or capital expenditures and can have adverse effects on the Company's profitability and growth prospects.

Risks relating to natural catastrophes

Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Company's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's housing and land development projects, many of which are large, complex estates with infrastructure, such as buildings, roads and perimeter walls, which are susceptible to damage. Damage to these structures resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers, for example for physical injuries or loss of property. Also, the value and attractiveness of memorial parks or columbarium facilities and housing units, for example, may be damaged by the occurrence of extremely destructive natural disasters and will adversely affect the Company's business and financial performance. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect the Company's business, financial condition and results of operations. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from such property, while remaining liable for any project construction costs or other financial obligations related to the property. Any material uninsured loss could adversely affect the Company's business, financial condition and results of operations.

Risks relating to over-reliance on some key Company personnel

The Company's directors and members of its senior management have been an integral part of its success, and the experience, knowledge, business relationships and expertise that would be lost should any such persons depart could be difficult to replace and may result in a decrease in the Company's operating efficiency and financial performance. While the Company has provided its Directors and key Senior Management with generous compensation, a highly skilled and reputable executive is always subject to piracy by competitors. Additionally, key personnel could also be lost due to catastrophic diseases (i.e., cerebral stroke, cancer, heart attacks), incapacitated by an accidents and death.

To lessen the potential negative impact of these events, the Company has institutionalized critical operational systems and procedures as a way of minimizing the over-dependence on individuals. The Company also has established organizational development policies and procedures to ensure the continuous development of its officers and staff. Performances are regularly monitored and appraised, and appropriate and timely action is taken to reward or correct the performances of its officers and staff. The Company maintains a continuous training program and an informal apprenticeship agenda to provide a constant pool of executive-calibre personnel ready for promotion.

The Company's ability to plan, design and execute current and future projects depends on its ability to attract, train, motivate and retain highly skilled personnel, particularly architects and engineers. However, this valuable human resource is also in demand by the Company's competitors. It is important to point out that other development companies face the same risks.

Any inability on the part of Company to hire and, more importantly, retain qualified personnel could impair its ability to undertake project design, planning and execution activities in-house. If these situations occur, the Company will be left with no recourse but engage third-party consultants thereby incurring additional costs.

To mitigate this risk, the Company provides its technical personnel with competitive compensation and incentive programs.

A substantial portion of the lands forming part of Golden Haven Iloilo Park are presently subject of land use conversion proceedings which, if adversely decided, may prevent the Company from using or continuing to use such lands as memorial park lots.

Several parcels of land forming part of the Company's Golden Haven Iloilo Park, with an aggregate land area of approximately five hectares and which were previously classified as agricultural lands, are presently subject of land use conversion proceedings initiated by the Company (or at its instance) with the DAR.

Under prevailing law, the approval by the DAR is necessary for the reclassification or conversion of the use of lands from agricultural to non-agricultural use. Otherwise, developers of lands previously classified as agricultural lands may be made subject to sanctions imposed by the DAR and may be prevented from undertaking any non-agricultural activities on such lands.

The Company believes that the application for the land use conversion over the relevant lands forming part of the Golden Haven Iloilo Park will be approved by the DAR in due course, considering that such lands have long been re-classified and rezoned for non-agricultural purposes by the applicable legislative bodies of the relevant local government units. Further, as of the date of this filing, the Company holds all the requisite permits to develop and sell such lands as memorial park lots (including the development permit from the local governments of Iloilo and the permit to sell from the HLURB).

Nevertheless, in the event that the application for the land use conversion over the relevant lands forming part of the Golden Haven Iloilo Park is denied or otherwise disapproved by the DAR, the Company may be exposed to sanctions imposed by the DAR and may be prevented from undertaking (or continuing to undertake) its development activities within the affected area of the Golden Haven Iloilo Park, either of which, in turn, may adversely affect the Company's results of operations, business and financial performance.

The investment assets of the Company's maintenance funds may not be sufficient to cover future death care services costs, specifically, the costs of operation and maintenance of the Company's memorial parks and columbaria, or such investment assets may suffer significant losses or experience sharp declines in their returns, which would have a material adverse effect on the Company's results of operations and its ability to discharge its obligations under sold funeral services packages and to properly maintain its memorial parks or columbaria.

Part of the Company's business involves discharging ongoing or future obligations, such as maintaining its memorial parks and columbarium facilities. To discharge these obligations, the Company has engaged professional fund managers to maintain and manage its maintenance funds that can only be utilized for such specific purposes. As of December 31, 2020, the aggregate balance of the Company's maintenance funds was ₱ 828 million.

These investments are subject to inherent investment risks, and there is no assurance that the investments will not suffer losses in the future, or that the return on the investments will be sufficient to cover future cemetery and columbarium facilities maintenance costs.

Realized losses on the maintenance funds are recorded as other losses in the Company's statements on profit and loss and therefore would have a direct impact on its profits for the year. In addition, as these funds are maintained to discharge the Company's obligations of maintaining its memorial parks and columbaries, significant losses on these funds may result in insufficient funds for these purposes. Maintenance funds may fail to yield adequate returns to support the maintenance of the applicable cemetery using income of the fund. In such event, the Company may be required to cover any such shortfall using its cash resources, which may have a material adverse effect on the Company's liquidity.

Certain of the lands used by the Company for its memorial park lots remain titled in the names of the previous owners thereof.

The Company's key properties include its lands (raw and partially developed) designated or undergoing development into death care facilities such as memorial parks and columbaria, as well as those lands where existing death care facilities have been built or located.

Certain of such lands, including those used or otherwise underlying its existing memorial parks, remain registered in the names of the previous owners thereof despite the completion of the sale to and purchase by the Company of title to and ownership thereof, as evidenced by duly executed and fully-consummated deeds of sale executed with such previous owners. As of the date of this Prospectus, the Company has initiated or is otherwise in the process of completing all administrative procedures necessary for the cancellation of the prior certificates of title covering such lands and the issuance of new certificates of title over the same properties in the name of the Company.

Under Philippine law, the certificates of title issued by the Register of Deeds issued over registered lands comprises the best evidence of ownership over such land, and third persons who may otherwise deal or transact with such lands are entitled to rely on such certificates of title. Since the relevant lands have not been registered in the name of the Company, it is therefore possible that third persons who hold claims against the previous owners of such lands may seek to enforce their claims against such previous owners against such lands to the extent the latter remain registered in the names of such persons.

The Company believes that the registration of its acquisition of the relevant lands will be completed in due course, and that the risk that the relevant Registers of Deeds will deny such formal registration or that third persons would be able to make claims against such lands is low, considering that the purchase thereof has been adequately documented, all taxes, charges or fees for which the Company is liable applicable to or arising from such purchase have been paid or otherwise accounted for, and the Company presently holds the original owners' duplicates of title covering such lands. Nevertheless, if such registration is denied or interested third persons successfully enforce their claims against such lands, the Company's current and prospective operations, its business and financial performance may be adversely affected.

The Company's major shareholder could affect matters concerning the Company.

Fine Properties, the ultimate parent company, continues to hold a substantial majority of the Company's outstanding voting stock, including the Common Shares. As a result, the Company's principal shareholder will be able to significantly affect the outcome of any shareholder voting, including the election of directors or most other corporate actions which require a vote by a corporation's shareholders, thereby affecting matters concerning the Company. The interest of the Company's major shareholder may not necessarily be aligned with those of minority shareholders of the Company, and Fine Properties is not under any legal obligation to exercise its rights as a shareholder in the Company in the Company's best interests or the best interests of the Company's other shareholders. If the interests of Fine Properties conflict with the interests of the Company, the Company could be disadvantaged by the actions that Fine Properties chooses to pursue.

Risks relating to the Company's reputation

Infringement of the Company's intellectual property rights over the various names, brands and logos, which are used for its operations would have a material adverse effect on the Company's business. There can be no assurance that the actions the Company has taken will be adequate to prevent third parties from using these names, brands and logos or from naming their products using the same.

In addition, there can be no assurance that third parties will not assert rights in, or ownership of the Company's name, trademarks and other intellectual property rights. Because the Company believes that the reputation and track record it has established under its brands is key to its future growth, the Company's business, financial condition and results of operations may be materially and adversely affected by the use of these names and of any associated trademarks by third parties or if the Company was restricted from using such marks.

The Company, through its corporate communications team maintains a clear, accurate brand and company image and perception in the market to mitigate this risk. The legal team also monitors all intellectual ownership issues of the Company.

Other risks that the Company may be exposed are the following:

- Risks relating to the general Philippine economic condition
- Risks relating to operating in a highly-regulated environment
- Risks relating to political uncertainties
- Risks relating to international credit valuators
- Risks relating to Philippine foreign ownership limitations
- Risks relating to changes in construction material, labor, power and other costs.

To mitigate the aforementioned risks, the Company shall continue to adopt appropriate risk management tools as well as conservative financial and operational controls and policies to properly manage the various business risks it faces.

Working Capital

The Company finances its working capital requirements mostly through a combination of internally-generated cash, pre-selling, joint ventures, borrowings and proceeds from investment properties.

Item 2. Properties

Death care Business

The Company's key properties consist of its lands (raw and partially-developed) designated or undergoing development into death care facilities, its death care facilities such as its memorial parks and columbaria (existing and under construction) and its inventory of the memorial lots and/or columbarium vaults available for sale to the public. Except as otherwise discussed in this filing, the Company holds legal and/or beneficial title to each of its existing death care facilities, including the land on which such death facilities have been built or are intended to be built.

As of December 31, 2021, Company's total land size for deathcare developments all over the country with regional distribution summarized in the table below:

Location	Area (in hectares)
Luzon	114.57
Visayas	33.85
Mindanao	89.51
Total	**237.29**

As of December 31, 2021, the Company has a total of eight columbarium facilities with a total of 33,220 vaults offered all over the country.

Notwithstanding the sale of any of its memorial lots or columbarium vaults, title thereto is retained by the Company and a purchaser only receives certificates evidencing his or her perpetual right to use the memorial lot or columbarium vault. This perpetual right, however, may be transferred to any person designated by the original purchaser subject to compliance with the Company's procedures and regulations regarding such transfers.

Certain of the lands forming part of the Golden Haven Las Piñas Park and Golden Haven Cebu Park are subject to encumbrances, including rights of way and public easements granted to third parties including the Government. The Company believes that none of such encumbrances, rights of way or public easements materially affects its title to or ownership of the relevant lands, or the value thereof.

In addition, certain lands held by the Company remain registered in the names of the previous owners thereof. However, as of the date of this filing, ownership over such lands has been acquired by the Company via duly executed and fully-consummated deeds of sale executed with such prior owners, and each such purchase has been either annotated, in the process of being annotated on the relevant certificates of title covering such lands or proceedings for the cancellation of the prior certificate of title and the issuance of a new certificate of title in the name of the Company have been initiated.

Residential Development Business

Details of the Company's total land size as of December 31, 2021 are set out in the table below:

Location	**Area (in hectares)**
Luzon	438.19
Visayas	61.66
Mindanao	179.86
Total	**679.71**

Item 3. Legal Proceedings

The Company is not subject to any civil or criminal lawsuit or other legal actions. The Subsidiaries are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. Typical cases include adverse claims against a Subsidiary's title over parcels of land and claims brought by buyers seeking the return of deposits or cancellations of sales. In the opinion of the Company's management, none of the lawsuits or legal actions to which the Subsidiaries are currently subject will materially affect the daily operations of their business nor will they have a material adverse effect on the Company's consolidated financial position and results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

There was no matter submitted to a vote of security holders during the fourth quarter of 2021.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholders Matters

Market Information

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

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

	2022		
Quarter	**High**	**Low**	**Close**
1st	685.00	540.00	685.00

The market capitalization of HVN as of December 31, 2021 based on the closing price of ₱540.00/share on December 31, 2021, the last trading date for the fourth quarter of 2021, was approximately ₱ 347.8 billion.

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

Common

There are approximately 14 holders of common equity security of the Company as of December 31, 2021 (based on the number of accounts registered with the Stock Transfer Agent). The following are the holders of the common securities of the Company:

	Name	No. of Shares	Percentage
1	FINE PROPERTIES, INC.	412,057,800	63.97%
2	CAMBRIDGE GROUP, INC. [2]	158,744,255	24.65%
3	PCD NOMINEE CORPORATION (FILIPINO)	70,103,610	10.88%
4	MARIBETH C. TOLENTINO[1]	2,835,000	0.44%
5	CAMILLE A. VILLAR[1]	333,700	0.05%
6	PCD NOMINEE CORPORATION (NON-FILIPINO)	30,482	0.01%
7	MYRA P. VILLANUEVA	6,600	0.00%
8	MYRNA P. VILLANUEVA	2,300	0.00%
9	MILAGROS P. VILLANUEVA	2,300	0.00%
10	MANUEL B. VILLAR[1]	1,000	0.00%
11	FRANCES ROSALIE T. COLOMA[1]	500	0.00%
12	RIZALITO J. ROSALES[1]	100	0.00%
13	ANA MARIE V. PAGSIBIGAN[1]	1	0.00%
14	GARTH F. CASTAÑEDA[1]	1	0.00%
	TOTAL OUTSTANDING ISSUED AND SUBSCRIBED (COMMON)	**644,117,649**	**100.00%**

[1] *lodged under PCD Nominee Corp. (Filipino)*

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

Dividend Policy

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

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

As of December 31, 2021, the Company has not defined a minimum percentage of net earnings to be distributed to its common shareholders. Dividends may be declared only from the Company's unrestricted retained earnings, except when, among others: (i) justified by definite corporate expansion, or (ii) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured, or (iii) when it can be clearly shown that the retention of earnings is necessary under special circumstances obtaining in the Company, its assets and operations, such as when there is a need for special reserves for probable contingencies.

Record Date

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

Dividends

On 29 December 2015, the Board declared cash dividends in the amount of ₱800 million. On 8 March 2016, the Board, with the approval of the Company's shareholders representing two-thirds of its outstanding capital stock in a special meeting duly called for the purpose and held on the same date, declared stock dividends in the amount of ₱400 million.

Other than the foregoing, the Company has not declared dividends in any form since the time of its incorporation.

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

On December 27, 2017, the Board of Directors authorized the issuance of 150,000,000 common shares to Cambridge Group, Inc., out of the unissued authorized capital stock of the Company, at the subscription price of ₱20.0935 per share or an aggregate subscription price of ₱3, 014,027,483. The issuance is undertaken pursuant to the stockholders' approval for the issuance by way of private placement of up to 150,000,000 shares of the Company on October 16, 2017.

Stock Options

None.

Item 6. Management's Discussion and Analysis or Plan of Operation

REVIEW OF YEAR-END 2021 VS YEAR-END 2020

RESULTS OF OPERATIONS

Revenues

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

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

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

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

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

Costs and Expenses

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

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

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

Other Charges – Net

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

Tax Expense

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

Net Income

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

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

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

FINANCIAL CONDITION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REVIEW OF YEAR-END 2020 VS YEAR-END 2019

RESULTS OF OPERATIONS

Revenues

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

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

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

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

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

Costs and Expenses

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

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

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

Other Charges – Net

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

Tax Expense

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

Net Income

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

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

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

FINANCIAL CONDITION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Material Changes to the Company's Statement of income for the year ending 2020 compared to year ending 2019 (increase/decrease of 5% or more)

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

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

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

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

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

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

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

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

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

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

<u>Factors which may have material impact in Company's operations</u>

Economic factors

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

Competition

Please refer to the discussion on Competition found in Item 1 of this report.

<u>Capital Expenditures</u>

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

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

**Consolidated amount of the parent and the subsidiary*

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

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

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

Item 7. Financial Statements

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

Item 8. Information on Independent Accountant and Other Related Matters

Independent Public Accountants

Punongbayan & Araullo, independent certified public accountants, audited the Company's consolidated financial statements without qualification as of and for the years ended December 31, 2016, 2017, 2018, 2019, 2020 and 2021, included in this report.

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

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

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

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

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

Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

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

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

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors and Executive Officers

The overall management and supervision of the Company is undertaken by its Board. The Company's executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Currently, the Board consists of seven members, of which two are independent directors. The following are the names, ages and citizenship of the incumbent directors/independent directors of the Registrant:

Name	Age	Position	Citizenship
Manuel B. Villar, Jr.	72	Director, Chairman of the Board	Filipino
Maribeth C. Tolentino	57	Director and President	Filipino
Frances Rosalie T. Coloma	58	Director	Filipino
Rizalito J. Rosales	51	Director	Filipino
Camille A. Villar	37	Director	Filipino
Ana Marie V. Pagsibigan	52	Independent Director	Filipino
Garth F. Castañeda	40	Independent Director	Filipino

The following are the names, ages and citizenship of the Registrant's executive officers in addition to its executive and independent directors listed above as of December 31, 2021.

Name	Age	Position	Citizenship
Gemma M. Santos	59	Corporate Secretary	Filipino
Estrellita S. Tan	58	Chief Financial Officer, Chief Information Officer, Treasurer, Investor Relations Officer	Filipino
Jo Marie Lazaro - Lim	42	Assistant Corporate Secretary	Filipino
Miles M. Teretit	38	Chief Accountant & Compliance Officer	Filipino

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

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

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

FRANCES ROSALIE T. COLOMA, *Director,* graduated cum laude from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy. She is a Certified Public Accountant. She worked as Finance Manager of Alcatel Philippines Inc. and Intel Philippines, Inc., Country Controller of Ericsson Telecommunications Philippines Inc., and Deal Finance Manager of Accenture Delivery Center, Philippines. She was also the Assistant General Manager of Maersk Global Services, Philippines, and is currently the Chief Financial Officer of the Starmalls group, and a director of Vista Land & Lifescapes, Inc., both of which are publicly listed companies. Ms. Coloma has been a director of the Company since July 2016 and was appointed Chief Financial Officer and Chief Information Officer on June 15, 2017.

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

CAMILLE A. VILLAR, *Director*. Ms. Villar, graduated from Ateneo de Manila University with a degree in Bachelor of Science in Management. She took Management in Business Administration, Global Executive MBA Program in IESE Business School, Barcelona, Spain. She joined the Corporate Communications Group of Brittany in 2007 until she assumed the position of Managing Director of the Vista Land Commercial Division. She is also a Director of Vista Land & Lifescapes, Inc., a publicly listed company, AllValue Holdings Corp. She has been a director of the Company since 30 August 2017.

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

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

GEMMA M. SANTOS, *Corporate Secretary*. Atty. Santos, graduated cum laude with the degree of Bachelor of Arts, Major in History from the University of the Philippines in 1981, and with the degree of Bachelor of Laws also from the University of the Philippines in 1985. She is a practicing lawyer and Senior Partner of Picazo Buyco Tan Fider & Santos Law Offices and Corporate Secretary of various Philippine companies, including Vista Land & Lifescapes, Inc., a publicly listed company. She was appointed as corporate secretary on 22 December 2017.

ESTRELLITA S. TAN, *Chief Financial Officer, Chief Information Officer, Treasrurer, Investor Relations Officer*, is a Certified Public Accountant and graduated with distinction from the Philippine School of Business Administration with a degree in Bachelor of Science in Business Administration Major in Accounting. She is also a licensed Real Estate Broker and has completed a Management Development Program at the Vista Center for Professional development. She previously served as the President and Chief Operating Officer of Prima Casa Land and Houses, Inc., an affiliate of Vista Land & Lifescapes, Inc. from 2013 to 2020.
Prior to joining the Group, Ms. Tan worked with Sycip, Gorres, Velayo & Co. as an Auditor and as an Audit Supervisor of F.J. Elizalde Group of Companies until she became the Controller of Phil. Center of

International Trade and Exhibits before she joined the Villar Group of Companies in 1993. She has held various positions in the Group since then.

JO MARIE LAZARO-LIM, *Assistant Corporate Secretary*. Ms. Lazaro-Lim, graduated from the University of Sto. Tomas with a degree in Bachelor of Arts in Legal Management and she earned her law degree from San Beda College of Law. She is the Compliance Officer and Assistant Corporate Secretary of Starmalls, Inc. and Corporate Secretary of All Home Corp.

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

Family relationships

Mr. Manuel B. Villar Jr. is the father of Ms. Camille A Villar. They are both part of the Company's Board of Directors.Involvement in Certain Legal Proceedings of Directors and Executive Officers

To the best knowledge of the Company, none of its present directors, executive officers or its nominees for independent directors has been subject to the following:

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

- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

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

- Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Item 10. Executive Compensation

Executive Compensation

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

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

Standard arrangements

Each director of the Company receives a per diem of ₱15,000 determined by the Board of Directors for attendance in a Board meeting and a ₱15,000 allowance for attendance in a committee meeting (except for independent directors). On April 10, 2018, the per diem for attendance in a Board meeting was increased to ₱15,000 and the allowance for attendance in a committee meeting was also increased to ₱15,000.

Other arrangements

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

Employment contract between the company and executive officers

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

Warrants and options held by the executive officers and directors

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

Significant employee

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

<u>Security Ownership of Record and Beneficial Owners</u>

Security ownership of certain record and beneficial owners of more than 5.0% of the Registrant's voting securities as of December 31, 2021:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Us	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership[1]
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6766 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Fine Properties, Inc./ Record Owner is not the beneficial owner[2]	Filipino	412,057,800	63.97%
Common	Cambridge Group, Inc. Lower Ground Floor, Building B, Evia Lifestyle Center, Vista City, Daang Hari, Las Piñas City	Fine Properties, Inc./ Record Owner is not the beneficial owner[2]	Filipino	158,744,255	24.65%
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr 6766 Ayala Ave. cor. Paseo de Roxas, Makati City	Record Owner is not the beneficial owner[3]	Filipino	70,103,610	10.88%

[1] Based on the Company's total issued and outstanding capital stocks as of December 31, 20120 of 644,117,649 common shares.

[2] Mr. Manuel B. Villar, Jr. and his spouse are the controlling shareholders of Fine Properties, Inc. The right to vote the shares held by Fine Properties, Inc. has in the past been, and is expected to be exercised by Mr. Manuel B. Villar, Jr.

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

Security ownership of directors and executive officers as of December 31, 2021:

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership		Citizenship	Percent of Class[1]
Common	Manuel B. Villar, Jr. C. Masibay St. BF Resort Village, Talon, Las Piñas City	1,000	Indirect	Filipino	0.00%
Common	Maribeth C. Tolentino Block 1 Lot 2 Merida Subdivision BF Resort Village, Talon, Las Piñas City	2,835,000	Indirect	Filipino	0.44%
Common	Rizalito J. Rosales Block 11 Lot 3 Joshua St, Camella Las Piñas Classic Pilar, Las Piñas City	100	Indirect	Filipino	0.00%
Common	Frances Rosalie T. Coloma 1-10 Granwood Villas BF Homes, Quezon City	500	Indirect	Filipino	0.00%
Common	Camille A. Villar C. Masibay St. BF Resort Village, Talon, Las Piñas City	333,700	Indirect	Filipino	0.05%
Common	Anna Marie V. Pagsibigan 21 Matungao Bulacan, Bulacan	1	Indirect	Filipino	0.00%
Common	Garth F. Castañeda Unit 802, The Amaryllis Condominium 12th Street cor. E. Rodriguez Ave. Quezon City	1	Indirect	Filipino	0.00%
Total		**3,170,302**			**0.49%**

[1] *Based on the Company's total outstanding and issued capital stocks of 644,117,649 common shares as of December 31, 2021*

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

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

<u>Voting Trust Holders of 5.0% or More</u>

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

<u>Changes in Control</u>

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

Item 12. Certain Relationships and Related Transactions

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

For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable related to parties, see Note 20 of the Company's financial statements as of December 31, 2021 included in this report.

PART IV – CORPORATE GOVERNANCE

Item 13. ***To be disclosed separately.***

PART V – SUSTAINABILITY REPORT

Golden MV Holdings, Inc.

Annex A: Reporting Template

Contextual Information

<table>
<tr><th colspan="2">Company Details</th></tr>
<tr><td>Name of Organization</td><td>Golden MV Holdings, Inc. (PSE: HVN)</td></tr>
<tr><td rowspan="2">Location of Headquarters / Operations</td><td>Golden Haven: 2/F Golden Haven Bldg., Villar SIPAG Complex, C-5 Extension, Las Piñas City</td></tr>
<tr><td>Bria Homes: LG/F, Starmall EDSA-Shaw, EDSA cor. Shaw Blvd., Mandaluyong City</td></tr>
<tr><td rowspan="2">Report Boundary: Legal entities (e.g., subsidiaries) included in this report*</td><td>Golden Haven, Inc.:
• Region III (Central Luzon)
• Region IV-A (Calabarzon)
• Region VI (Western Visayas)
• Region VII (Central Visayas)
• Region IX (Zamboanga Peninsula)
• Region X (Northern Mindanao)
• Region XI (Davao Region)
• Region XII (Soccskargen)
• National Capital Region (NCR)</td></tr>
<tr><td>Bria Homes:
• Region III (Central Luzon)
• Region IV-A (Calabarzon)
• Region V (Bicol Region)
• Region VII (Central Visayas)
• Region X (Northern Mindanao)
• Region XI (Davao Region)
• Region XII (Soccskargen)
• National Capital Region (NCR)</td></tr>
<tr><td rowspan="2">Business Model, including Primary Activities, Brands, Products, and Services</td><td>Golden Haven: Development of memorial parks, chapels, and columbarium facilities</td></tr>
<tr><td>Bria Homes: Real estate development (affordable houses and condominium units)</td></tr>
<tr><td>Reporting Period</td><td>January 1, 2021 to December 31, 2021</td></tr>
<tr><td rowspan="2">Highest Ranking Person responsible for this report</td><td>Golden Haven: Maribeth C. Tolentino, President</td></tr>
<tr><td>Bria Homes: Rizalito J. Rosales, President and COO</td></tr>
</table>

**If you are a holding Company, you could have an option whether to report on the holding Company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

The Villar Group companies, including Golden MV, are guided by the GRI and SASB Standards in the conduct of its materiality process with the following steps:

1. Pre-identification of topics – Issues and topics from different references such as the sector-specific publications from GRI and SASB standards, and industry peers were collated. As there

were topics in 2020 that can be under common topics, the list was simplified with a few additional ones to ensure that the economic, environmental, social, and governance (EESG) aspects of the organization are covered.

2. Identification of Material Topics – The Company revisited the list to assess if the topics are material to the operations and stakeholders. A form is provided that allows the Company to identify topics that are material by selecting 'Yes' or 'No'.

3. Materiality Assessment – Topics deemed as material are processed into an online survey where the Company further assessed the criticality of impact of each topic using a five-point scale (1 as low to no impact; 5 as highest impact).

In 2021, Golden MV extended the online survey to other departments to capture more insights on the issues in the Company. All respondents are enthused about sustainability, with the majority of them explaining that sustainability is very important to Golden MV's overall business success. Being in the retail industry, Golden MV has a moral responsibility for its suppliers, employees, customers, communities, and other stakeholders as it continually expands and achieves prosperity.

GOLDEN HAVEN

Golden Haven believes that the sustainability of the Company is maintaining Customer Satisfaction. It shows importance as well to Regulatory and Compliance followed by Marketing and Promotion, Pricing, Investor Relations, and Economic Performance as the highest material topics in 2021.

Table 1. Topics According to Degree of Impact to the Business and Stakeholders

2019 Topics	2020 Topics	2021 Topics
Financial Sustainability/ Profitability	Financial Sustainability/Profitability	Customer Satisfaction
Marketing and Labelling	Product/Service Quality and Responsibility	Regulatory Compliance
Product/Service Quality and Responsibility	Marketing and Labeling	Marketing and Promotion
Fuel Consumption	Customer Satisfaction	Pricing
Energy Management/ Efficiency	Investor Relations	Investor Relations
Water Consumption and Recycling	Pricing	Economic Performance
Waste Management (including Hazardous Waste)	Employee Training and Competency	Emissions
GHG Emissions/ Climate Change	Environmental Compliance	Governance
Environmental Compliance	Employee Relations and Labor Practices	Customer Privacy
Health & Safety	Health & Safety	Waste Management Health & Safety
Local Employment	Responsible Supply Chain	Training and Development
Employee Relations and Labor Practices	Waste Management	Water Use
Employee Training and Competency	Customer Data Protection	Energy
Customer Satisfaction	Procurement Practices	Occupational Health and Safety
Investor Relations	Fuel Consumption	Procurement Practices
Ethical Business Operations	Energy Management	Responsible Supply Chain

Responsible Supply Chain (Envi/Social)	Water Consumption and Recycling
Procurement Practices	GHG Emissions/Air Quality
Security Practices	Cultural Diversity

Figure 1. Golden Haven 2021 Materiality Matrix

With its mission of guaranteeing perpetual care with reverence, dignity, and honor, Golden Haven delivers professional death care development and services by maintaining its beautiful memorial parks and providing services that are fit for those who have departed.

BRIA HOMES

As a key player in the real estate industry, Bria Homes stand by its values to fulfill its goals:

1. *Mura* – Filipinos can opt to invest in high quality homes at a reasonable and affordable price through convenient funding options.
2. *Mabilis* – Bria Homes use new technologies that hasten construction time.
3. *Maganda* – Communities are developed with facilities where Filipino families can enjoy living in homes that are safe and healthy.
4. *Mahusay ang Serbisyo* – Employees are trained to actively respond to the concerns of customers.
5. *Malapit sa Lahat* – Bria Homes develops communities where all city services, such as place of worship, hospitals, schools, commercial establishments, major roads and highways, are in close proximity.

These values influenced what Bria Homes considered the most material topics for them in 2021 - Customer Satisfaction, Ethical Business Practices, Community, and Customer Privacy.

Table 2. Topics According to Degree of Impact to the Business and Stakeholders

2019 Topics	2020 Topics	2021 Topics
Financial Sustainability/ Profitability	Customer Satisfaction	Ethical Business Practices
Product Quality and Responsibility	Financial Sustainability/Profitability	Customer Satisfaction
Energy Management/ Efficiency	Employee Training and Competency	Community
Water Consumption and Recycling	Product Quality and Responsibility	Customer Privacy
Waste Disposal and Recycling	Innovation in Operations/Products and Services	Risk Management
GHG Emissions/ Climate Change	Product Affordability	Innovation
Health & Safety	Land Acquisition, Planning, Regulatory and Land Use Requirements	Regulatory Compliance
Employee Training and Competency	Health & Safety	Well-being
Customer Satisfaction	Business Model Resilience	Occupational Health and Safety
Ethical Business Operations	Financial implications due to sustainability issues	Land Use
Responsible Supply Chain (Envi/Social)	Waste Disposal and Recycling	Training and Development
Local Sourcing/Procurement Practices	Impact on Community/Contribution to Society	Data Protection and Cyber Security
Innovation in Operations/Products and Services	Human Rights	Landscape Impacts
Corruption/Fraud	Critical Incident Risk Management	Economic Performance
Impact on Biodiversity	Local Community Engagement	Business Model Resilience
Employee Turnover, Attrition, and Retention	Water Consumption and Recycling	Human Rights
Human Rights	Indirect economic impacts	Governance
Product Affordability	Energy Management	Water Use
Impact on Community/ Contribution to Society	Community Resettlement	Special Purposes Property
Information Security/Data Privacy	Corporate Governance	Waste Management
		Procurement Practices
		Responsible Supply Chain
		Energy
		Green Buildings

Figure 2. Bria Homes 2021 Materiality Matrix

Bria Homes maintains its profitability to sustain its operations and continues to contribute to its stakeholders. The Company also invests in developing the competencies of its employees. Proper training allows its employees to perform efficiently which results in higher customer satisfaction. More importantly, investing in employees brings a positive impact to the business.

ECONOMIC & GOVERNANCE DISCLOSURES

Economic Performance

Direct Economic Value Generated and Distributed (in millions PhP)

Disclosure	2021	2020	2019
Direct economic value generated	**5,304.53**	**5,388.38**	**8,880.12**
a. Revenue	5,169.35	5,220.68	8,644.70
b. Other revenues	131.25	150.00	233.10
c. Interest income	3.93	17.69	2.32
Direct economic value distributed	**3,766.23**	**4,168.52**	**6,312.50**
a. Operating costs	2,399.88	2,603.91	4,371.55
b. Employee wages and benefits	356.63	327.49	286.67
c. Payments to suppliers, other operating costs	1,090.27	1,087.58	1,372.04
d. Taxes given to government	-80.55	149.55	282.25
i. Income tax	-90.35	127.17	252.33
ii. Other taxes	9.80	22.37	29.92
Direct economic value retained	**1,538.30**	**1,219.85**	**2,567.61**

Impacts	Stakeholders Affected
Golden MV has shown strong performance amidst the pandemic. Availment of chapel services increased in 2021, which resulted in a 42% increase in income from said services. Additionally, there is a 60% increase in interment income during the same year. However, the effects of the pandemic have adversely affected the real estate business due to quarantine restrictions on construction activities; office premises were temporarily closed before flexible working arrangements were implemented; and additional budget was allotted for ensuring a safe and virus-free environment for employees and customers. This has registered a 3% decrease in real estate sales. Golden MV has distributed its financial resources among its stakeholders – 45% for its operations, 7% for salaries and benefits provided to employees, 21% to suppliers and service providers, and -2% for taxes from adjustment on deferred tax liability in compliance with the Corporate Recovery and Tax Incentives for Enterprises Act or CREATE Act. Besides the products and services that it provides nationwide, Golden MV helps improve the financial stability of its stakeholders by generating a steady income growth and offering thousands of employment opportunities across the country, among others. In addition, a significant portion of the Group's revenue flows back to the society through the following: 1. Employees are provided competitive compensation and additional benefits beyond what the government	Investors, Business Partners, Employees, Government, Job seekers

requires, such as HMOs and performance bonuses. Annual performance evaluations serve as a basis for salary increases and promotions.
2. Suppliers are offered generous rates for services and prices for materials.
3. Government receives timely payment of taxes and other fees.

Management Approach to Impacts

Golden MV abides by the principles of transparency, materiality, and completeness in reporting its financial performance. Accordingly, the Group prepares its financial statements using the measurement bases for each type of asset, liability, income, and expense specified by the Philippine Financial Reporting Standards (PFRS).

Punongbayan & Araullo (P&A), who has been the Group's auditor since 2015, reviews and audits these annual financial reports before publication. The Group also publishes its financial and operating performance through press releases and analysts' briefings every quarter. Additionally, the Group maintains a monthly financial reporting and analysis of sales and other operating activities, quarterly consolidated financial statements, and an Annual Audited Financial Statement. All reports are accessible to all stakeholders, including suppliers, and are also uploaded to the company website. Employees are informed of the Group's performance through monthly management committee meetings.

Risks	Stakeholders Affected
Golden MV identifies the following financial risks: cash flow interest rate risk, credit risk, liquidity risk, and foreign exchange risk. Movements in the property market may also substantially affect the Group. Moreover, Golden MV has been challenged by the pandemic due to the restrictions that stopped the operations of the business.	Golden Haven, Bria Homes, Investors, Business partners, Employees, Suppliers, Government, Job seekers

Management Approach to Risks

The Villar Group has an established Enterprise Risk Management Framework and a Board Risk Oversight Committee (BROC) that mitigate risks, including those affecting the Group's financial condition. With the ERM, Golden MV identified measures that will continue business operations while prioritizing stakeholders' safety. The Board of Directors regularly reviews and approves changes to policies designed to manage these risks. Measures are in place to prevent and eliminate the effects of such risks. These measures include the following:

- Enter fixed-rate debts
- Transact with recognized and creditworthy third parties only
- Monitor cash flow, debt maturity profile, and overall liquidity position.

The Group maintains a level of sufficient financial resources to finance its operating requirements. As a result, operating expenses and working capital requirements are sufficiently funded through cash collections.

Apart from the monthly review of financial statements, Golden MV conducts budget and forecast activities. Significant purchases such as raw land acquisition and loans are subject to the approval of the Executive Committee. All cash flows, from operations to investing and financing, are reflected in the management reports.

In response to the COVID-19 pandemic, the Group implemented necessary measures to minimize the impact on revenues. These include using online advertising and promotion and other offline promotional activities to attract customers. Online payment schemes are provided to encourage timely payment of billings. Health and safety protocols are in place, retrofitting of office premises and workspaces, work-at-home arrangements, and periodic testing of employees are provided to minimize disruptions in the operations

Opportunities	Stakeholders Affected
Opportunity to grow the Group's investment properties and incorporate sustainability in its financial decisions. The rapid preference of businesses and stakeholders for digitalization has led Golden MV to invest in various digital formats. This has helped continue the business without compromising the health and safety of its employees, customers, suppliers, and other significant stakeholders.	Investors, Business Partners, Employees

Management Approach to Opportunities
Management will continue to take actions to continually improve the operations as the need arises. Based on the foregoing improvements, management projects that the Group would continue to report positive results of operations and would remain liquid to meet current obligations as they fall due. Both Golden Haven and Bria Homes continue to be aggressive in their project launches and other operational targets while keeping track of the continuously changing needs and preferences of the market. Techserve remains active in processing permits of newly acquired raw lands. The Group ensures that potential long-term effects of financial decisions are carefully deliberated and that all risks and opportunities are viewed through the lens of each Company's economic, environmental, and social impacts in making such decisions.

Climate-related risks and opportunities[3]

Governance Disclose the organization's governance around climate related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	Golden MV has established a separate Board Risk Oversight Committee ("BROC") that is responsible for the oversight of the Group's risk management to ensure its functionality and effectiveness. The ERM consists of strategies that cover all risks, including climate-related risks, which may potentially affect the Group's operations. The Board, through the BROC, regularly monitors risk controls to ensure that they are up-to-date and effective.
b) Describe management's role in assessing and managing climate-related risks and opportunities	Apart from identifying all key business risks and opportunities and ensuring that they are properly measured and monitored, the management also regularly updates the Board on the status of the Group's risk management initiatives. The Board, therefore, always has up-to-date information as a basis for their recommendations on further performance improvements.
Strategy Disclose the actual and potential impacts[16] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	

[3] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Natural catastrophes such as typhoons, flooding, earthquakes, storm surges, and fire are the priority climate-related risks that Golden MV has identified.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Typhoons, storm surges, and fire may create damages to the different assets and properties of the Group, force operations to stop, or affect employee work schedules. These scenarios would, therefore, increase capital costs, operating expenses, and opportunity costs that impact the financial conditions of the Group. Furthermore, the Group may suffer an uninsured loss or a loss that is in excess of the insured limits that loses a portion, if not all, of the capital invested in a property. Another is losing the future turnover from a property while still having the liabilities for all its construction costs and other financial obligations.
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2ºC or lower scenario	Golden MV performs a thorough technical due diligence such as environmental studies on a property and its surrounding areas. Additional measures for specific climate-related risks such as potential effects of global warming will be included in the Group's risk management strategies in the future.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	
a) Describe the organization's processes for identifying and assessing climate-related risks	Golden MV follows a process as stipulated in the ERM framework to identify and assess risks including climate-related risks. The framework is assessed yearly by the BROC.
b) Describe the organization's processes for managing climate-related risks	Golden MV seeks the help of the applicable department/s in managing the said risk through the formulation of appropriate strategies and management plan. Doing this helps ensure that risks in all levels and areas of both Companies are responsibly managed.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Climate-related risks are identified in the same manner as other key business risks. Golden and Bria's Enterprise Risk Management policy enumerates these risks and discusses how their potential impacts on its operations are assessed as well as how the established mitigating measures are designed to eliminate any adverse outcomes
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Disclose the metrics used by the organization to assess climate-related risks and	• Number of days those projects have been delayed • Frequency of property downtime and disruptions in the operations

opportunities in line with its strategy and risk management process	• Repair and/or replacement costs from damaged or destroyed equipment, buildings, and other assets • Maintenance expenses from wear and tear on buildings
b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	• Regular monitoring and maintenance of all assets

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Golden Haven[4]				Bria Homes			
	Region	2021	2020	2019	Region	2021	2020	2019
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers[5]	III	100%	100%	See note[2]	III	100%	100%	100%
	IV-A	100%	100%		IV-A	100%	100%	100%
	VI	100%	100%		V	100%	100%	100%
	VII	100%	100%		VII	100%	100%	100%
	IX	100%	100%		X	100%	100%	100%
	X	100%	100%		XI	100%	100%	100%
	XI	100%	100%		XII	100%	100%	100%
	XII	100%	100%		NCR	100%	100%	100%
	NCR	100%	100%					

Impacts

Golden Haven and Bria Homes patronize products and services from local suppliers as they have spent 100% of the procurement budget on them. Local suppliers have an inherent advantage of customer service and location. Transacting with local suppliers can greatly reduce the length of the supply chain management needed and utilizing local manufacturers can also reduce logistics costs.

Management Approach to Impacts

Golden Haven and Bria Homes employ a set of stringent conditions that suppliers must meet to guarantee that they can deliver the needed products and services whenever deemed necessary.

Golden Haven follows strict selection criteria for its suppliers that includes the price, quality, lead time/delivery, long-term relationship potential, customer value, product/service availability, and financial and manpower/equipment capacity. Golden Haven requires potential and present local suppliers to meet its requirements completely. Not only do these requirements guarantee that the Company's demands will be met, but they also encourage its suppliers to implement responsible business practices.

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[4] The reporting scope was first changed in 2020 to capture the activities in all memorial parks, chapels, and offices. In 2019, Golden Haven reported only six chapels and parks located in Las Piñas, Cebu, Cagayan de Oro, Zamboanga, Bulacan, and Iloilo. For all sites, 100% of the procurement budget was spent on local suppliers.

[5] Local suppliers refer to Philippine-based suppliers or service providers whose products and/or services meet the minimum local content as prescribed by the Procuring Entity.

Apart from site and plant visits, the Company requires the following documents from potential suppliers to assess their eligibility and qualifications:

- DTI/BIR/Financial Statements
- Proposal letter
- Company profile
- Quotation
- Business registration/ Permits

Three candidates are selected and invited to bid for a certain project. Once a supplier has been chosen and approved, Golden Haven ensures that they meet the quality standards of the Company throughout the duration of the contract.

Bria Homes maintains a good working relationship with its suppliers and ensures that they meet its high standards in business practices. The quality of Bria's products and services depend on the capability of its suppliers to meet its specific needs. Thus, the Company observes the following set of standards in choosing its suppliers:

- Price
- Reliability
- Financial Stability
- Location
- Quality
- Strong Relationship/ Partnership Approach Strong Service and Clear Communication

Risks

Inherent procurement risks may include quality issues, the inability to meet some specifications due to lower quality of goods, lack of supply of volume of goods, materials, or modern equipment needed, sharp price increases triggered by increase in demand, and high maintenance costs. External events such as the COVID-19 pandemic may worsen these risks which could impact the price, lead time/delivery, and availability of product/service of both companies.

Management Approach to Risks

Constant supervision is carried out by Golden Haven and alternative materials/equipment are identified and ready to be outsourced in rare cases that suppliers cannot deliver. In 2021, the Company has set a strict control on the movement of supplies. Advance ordering helped avoid zero inventory during the pandemic.

On the other hand, Bria Homes abides by a simple risk minimization plan which indicates the following:

- **Avoid**: think of alternatives
- **Prevent**: act to prevent the risk to occur
- **Retain**: retain the risk while putting up protective measures to ensure the Company's safety

Bria managed the impacts of pandemic through the help of its business continuity plan that details the risk management strategy and business impact analysis.

Timely accounting audit and control checks the price changes and quality of existing purchased inventories through monthly and quarterly warehouse checking. As to purchases, the Procurement

Team does constant supervision and quality checks before item acceptance during deliveries and requests for payments.

Opportunities

Golden Haven and Bria Homes see the opportunity to improve on the Company's present supplier selection process and procurement practices. This will enhance the product and service delivery of both companies in accordance with customers' needs. It also aims to expand its presence nationwide, hence, it targets to be able to provide more opportunities to local suppliers.

Management Approach to Opportunities

Golden Haven continues to prioritize suppliers that can meet the Company's demands within the agreed timeline. It is the Company's standard operating procedure (SOP) to apply a well-balanced and strictly maintained control in its procurement practices. Appropriate controls from canvassing of materials, negotiation with selected supplier, approval of purchase and checking of deliveries are in place. This is to ensure that there will be no conflict of interest from both parties. It also ensures proper communication with direct suppliers and regular monitoring of supplies.

Bria Homes implements the following practices:

- Establishing alliances with key suppliers
- Optimizing Company-owned inventory
- Establishing appropriate levels of control and minimizing risks

Bria also continuously develops its procurement practices by drafting a detailed map of the Company's entire spending and updating it monthly, quarterly, or annually. All spending needs are clearly mapped out and understood. Moreover, the Company is driving substantial, sustainable savings, across the entire Company by creating and driving spend-centered initiatives; and informing and educating other departments about how those savings can be achieved. Educating the entire corporation about how to achieve savings and how to think more critically about purchasing is the second piece to implementing and enforcing savings initiatives.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Golden Haven			Bria Homes		
	2021	2020	2019	2021	2020	2019
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%	100%	100%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%	100%	100%
Percentage of directors and management that have received anti-corruption training	100%	100%	N/A	100%	100%	N/A
Percentage of employees that have received anti-corruption training	100%	100%	N/A	100%	100%	N/A

Incidents of Corruption

Disclosure	Golden Haven			Bria Homes		
	2021	2020	2019	2021	2020	2019
Number of incidents in which directors were removed or disciplined for corruption	0	0	0	0	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0	0	0	1
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	0	0	0	0

Impacts

Having all stakeholders communicated and trained on anti-corruption policies and procedures in 2021, the Group guarantees that integrity and honesty are always upheld and applied in the workplace and in any transaction. Golden Haven and Bria Homes strongly upholds anti-corruption policies in their operations which were attributed to zero corruption incidents in 2021.

Anti-corruption-related policies are communicated to its employees during job orientations and tackled every annual corporate values session of the Company. Procedural due process is observed for any grievance case handled. The Company assures that its employees can freely communicate their concerns by practicing non-retaliation as a policy.

The Board and Management also participates in the Annual Corporate Governance Seminar that reinforces their knowledge on the different sound governance practices and continuance of building an ethical culture in Golden and Bria.

Business partners are informed of the policies and procedures during accreditation and credibility review.

Management Approach to Impacts

Corruption not only robs businesses of profit but also damages their reputation in the eyes of their stakeholders, especially employees and customers. Whether in the form of extortion, embezzlement, or bribery, corruption is harmful to any organization as it betrays the trust of the public. Thus, recognizing the importance of measures against corruption, Golden MV has an anti-corruption policy embedded in its Code of Business Conduct and Ethics that is promulgated and disseminated through training sessions.

Golden Haven requires all employees to attend a staff orientation and corporate values session during its annual team building. This serves as an avenue to discuss and raise awareness on the importance of the values that it upholds and how they can be applied to each respective job function. In 2021, corporate values discussions, socials, and other employee engagement activities were delivered via Zoom.

The Board sets the tone and makes a stand against corrupt practices by adopting anti-corruption policies of the Company, including Whistleblowing and Anti-Bribery Policy. These policies were crafted in compliance with the principles and best practices set out by the Company's Manual on Corporate Governance. These policies are posted in the Company's website as well for the information of all stakeholders. The Anti-Corruption Policies of the Company are issued to all staff members, directors, and members of the management and strictly applies to all.

Golden Haven believes that cases of corruption should never be tolerated as they could lead not only to a lack of trust between the Company and its employees, but to serious conflicts in the future as well. Hence, if an employee is suspected to be involved in any corruption-related activities, Golden Haven guarantees to investigate the matter earnestly.

If he/she is then found to be guilty, the Company will decide on corrective actions based on due process.

The significance of disclosure has always been emphasized to employees since their first day with the Company. Bria's Human Resources department and legal counselors work together in enforcing anti-corruption policies and procedures in the Company. In suspected cases of corruption, employees who are allegedly involved are investigated in according with due process. Any gift of any form, for instance, is strictly mandated by the Human Resources department to be declared for transparency.

Risks

The risk of corruption is always present especially in any transactions done inside and outside the organization. For this reason, Golden Haven constantly stresses to its employees the value of refraining from all corruption related activities as any dishonest business may compromise the operations of the Company and lead to conflicts of interest.

The supplier selection process is identified to be at greater risk of corruption than most other dealings in Bria Homes.

Moreover, insufficient and ineffective sanction imposed on offenders may lead to recurrences and distrust within the organization. The image of the Group may also be compromised.

Management Approach to Risks

The management ensures that all transactions are monitored and undergo a due process to eliminate corruption in the Group's operations.

Golden Haven, on the other hand, uses disclosure rules that state any items that are received as gifts from external party/ies are disclosed to the Human Resources Department. The Company also conducts audits of processes and inventories to check any irregularities.

Golden Haven strictly prohibits its employees to accept gifts and/or bribes from clients, suppliers, contractors, and any other external party. Anti-Corruption Policies are well-communicated to all stakeholders. Bria Homes also ensures that proper measures are in place to ensure both the quality of materials acquired and the values of the Company. Timely audit controls are available to eliminate possible employee and stakeholder corruption. Apart from maintaining an open communication with its employees and partners, managers see to it that all transactions are transparent and above board. Regular audits through site visits and audit of transactions are also performed by the Company.

Opportunities

The Group sees the following opportunities to uphold integrity in its operations:

- strengthen the imposition of the Company's anti-corruption policies and incorporate them into its employees' performance in the workplace
- consistent conduct of anti-corruption-related training to its employees whether they be conducted in-house or externally

- continuously develop the Group’s existing business processes and communication practices when corruption issues arise

Management Approach to Opportunities

Apart from keeping all communication channels open in all its locations of operations, Golden Haven and Bria Homes limit any unnecessary access to cash and other equivalents to avoid cases of embezzlement among their employees, directors and management, and business partners.

Adherence with the corporate values is among the criteria of employees’ annual performance evaluation. Golden Haven makes sure to include discussion of the Anti-Corruption Policies of the provisions on the proper and moral transactions within and outside the Company. Any misconduct or failure to exercise good judgments will be subjected to corrective actions based on due process. The same policies are applicable for the Management. Moreover, any form of bribery from business partners, contractors, or suppliers will be subjected for removal of their accreditation and ceased from any further transactions with the Company.

For its employees to better understand the potential impacts and risks that corruption brings to the Company, Bria plans to organize classroom training on anti-corruption for employees who are in direct contact with suppliers and contractors and to those working in the back office as well. Additionally, quarterly orientation and regular memos sent through emails will continue to serve as reminders for employees on the Company policies, including anti-corruption policies.

ENVIRONMENTAL DISCLOSURES

Resource Management

Energy consumption within the organization

Energy Type	2021	2020	2019
Golden Haven			
Renewable sources[6] (in GJ)	690.97	0.25	No data
Gasoline (in L)	15,513.02	20,031.46	58,005
Diesel (in L)	61,407.61	64,819.32	78,785
Electricity (in kWh)	457,344.24	91,955.63	1,142,873
Bria Homes			
Renewable sources (in kWh)	5,096.80[7]	N/A	No data
Gasoline (in L)	199,876.35	43,405.08	279,220
Diesel (in L)	252,821.55	52,021.98	479,675
Electricity (in kWh)	34,036.00	716,800.40	1,031,514

Reduction[8] of energy consumption

Energy Type	2020 vs 2021	2019 vs 2020
Golden Haven		
Gasoline (in L)	4,518.44	37,973.54
Diesel (in L)	3,405.71	13,965.68
Electricity (in kWh)	-365,388.61	1,050,917.37
Bria Homes		
Gasoline (in L)	-156,471.27	235,814.92
Diesel (in L)	-200,799.57	427,653.02
Electricity (in kWh)	682,764.40	26,197.88[9]

Impacts and Risks

With the continued investment on solar energy, consumption from renewable energy sources has increased significantly in 2021. The property in Las Piñas, which runs on a 150 kilowatts peak (kWp) installation, is one of the first real estate and death care services companies that utilize solar energy. Due to the site's roof space and sun exposure, the property was installed with 365 Wp Canadian Polycrystalline solar panels by Buskowitz Energy. The installation was completed last March 2021.

It is set to create an average of 202,800 kWh per year. The property's annual energy generation is equivalent to charging 18,286,554 smartphones and can drive a car up to 355,801 miles. At the same time, the installation is equivalent to saving the production of CO_2 emissions from 157,994 pounds of coal burned and to planting 187 acres of forests.

Gas and diesel consumption decreased by 22% and 5% respectively as gas-powered equipment such as grass cutters, lawn mowers, and road blowers were used for maintenance purposes only;

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6 This is generated by the installed solar street lights in parks.

7 Bria Homes has installed solar street lights in Bria Magalang, Bria Norzagaray, and Bria Trece.

8 Energy reduction is the difference between the previous and current energy consumption. Negative values mean an increase as compared with the previous consumption.

9 This figure is the amount reduced due to the installed solar street lights.

and diesel-fired equipment (e.g., water trucks, tractors, cremation machines, generator sets, and vehicles) were used continually as normal.

Construction activities remain restricted in 2021 that caused the decrease in electricity use during the year. Bria Homes' energy usage is largely attributable to gasoline and diesel consumption of company-owned vehicles for transporting documents and company assets in different sites.

In line with the energy-efficiency thrust of the Group, Bria Homes is featuring its investment in solar street lights in Bria Magalang, Bria Norzagaray, and Bria Trece. The modern solar street light works with its inbuilt LED, solar panel, lithium-ion batteries, power management system, and night and motion sensor.

Both organizations recognize the growing concerns on environmental issues, including which is the source of energy. Insufficient knowledge of the employees on the importance of conserving energy may interfere with their cooperation in its goal to execute more energy-efficient day-to-day operations. Moreover, lack of knowledge on the real-time performance in terms of its renewable energy use may result in complacency without seeing the need for improvement and adjustments.

Management Approach to Impacts and Risks

Vehicle, equipment for interment, and other electricity-powered equipment and appliances play a major role in the Group's primary business operations. Because of this, Golden Haven and Bria Homes constantly encourages its employees to be mindful of their energy use. This is supplemented by a policy that serves to spread consciousness on the value of conservation. Among the various energy-conserving practices implemented are:

- Switching off nonessential lights, appliances, equipment, etc.
- Regular odometer monitoring
- Trip ticketing in which schedules are carefully planned ahead of time to maximize the routes of vehicles and tasks accordingly. Department heads and the Accounting Department will assess the trip/destination and importance to see if the travel may be merged with other agendas/tasks along the trip.
- Assigning an officer of the month. The officer is responsible in monitoring workstations and equipment and report employees who have not complied through notifying the concerned department or personnel the next day
- Monitoring of all equipment to ensure normal working conditions
- Immediate repairing of damaged tanks to avoid leakages
- Installing solar-powered street lights in parks and residential developments
- Shifting to LED bulbs and solar lights in offices

Bria Homes' Accounting Team controls the issuance and approval of fuel consumption. For vehicles, gas purchase order issuance is based on itinerary kilometer reading. For equipment, consumption is measured through budgeted cost proposed by site engineers and approved by the Company controller. The Company ensures energy efficiency in its operations through regular checkup of consumption on the basis of output produced.

Travel distances are considered in acquiring lots for proposed land development. Hence, Golden Haven is starting to implement on-site offices instead of leasing satellite offices.

Opportunities

Golden Haven and Bria Homes is gradually shifting to energy-saving alternatives and renewable energy sources. Solar lights have been installed in parks to lessen the cost of electricity.

Management Approach to Opportunities

As a response to its pledge to reduce its carbon footprint, Golden Haven started utilizing energy-saving bulbs and solar power systems such as solar-powered lamp posts in place of its energy-intensive counterparts. The Company is also exploring other technologies, like the Grid-tied Solar Power System to improve on its energy consumption in memorial parks, light posts, chapel operations, office buildings, among others. It has targeted lessening fuel energy by 30% compared to the national average. The initial target date to be rated is by 2022.

Bria Homes had its subdivision street lights in all locations converted from ordinary fluorescent bulbs to solar-powered lamps. A monitoring system will be developed to record how much of its energy use comes from renewable sources. It has established a target reduction by 10-20%.

Water

Disclosure	2021	2020	2019
Golden Haven			
Water withdrawal (m^3)	297,789.25	83,212.03	81,375
Water consumption (m^3)	164,233.25	16,384.81	22,881
Water recycled and reused (m^3)	59,557.85	0	0
Total volume of water discharges (in m^3)	178,494.00	66,827.23	58,493.92
Percent of wastewater recycled	0	0	0
Bria Homes[10]			
Water withdrawal (m^3)	301,896.00	41,461.68	740,565
Water consumption (m^3)	202,094.00	41,461.68	742,565
Water recycled and reused (m^3)	0	0	0
Total volume of water discharges (in m^3)	99,802.00[11]	Data not available	0
Percent of wastewater recycled	0		0

Impacts

Golden Haven and Bria Homes mainly uses water for construction or project maintenance purposes, and domestic purposes such as gardening, landscaping, kitchen use, cleaning, and hygiene.

Water withdrawal and consumption has significantly increased due to the operation of additional parks in 2021. Bria Binangonan has consumed more water compared to others since this project has an almost 95% occupancy. Moreover, in the same site, there is a reported leakage in one of its water lines that contributed to the increased volume of water use.

Management Approach to Impacts

[10] The 2019-2021 data covers the volume of water withdrawn and consumed by Bria San Pablo, Bria Trece, Bria Sta. Maria, Bria Magalang, Bria Binangonan, and Bria Norzagaray.

[11] The figure is computed based on the derived formula from GRI 303: Water and Effluents 2018 which is the difference of the volume of water withdrawn and water discharge equates to the volume of water consumed. Moreover, this covers the water discharges from Bria Magalang, Bria Binangonan, and Bria Norzagaray. There is no monitoring system available yet for Bria San Pablo, Bria Trece, and Bria Sta. Maria.

Golden Haven’s parks and offices are filled with plants, trees, and landscapes. This makes water an essential in maintaining Park's landscapes and lawn lots. The Company therefore strictly enforces a water conservation policy in all levels and areas of the organization. Employees are encouraged to be conscious and control their consumption of water. They are always reminded to conserve water by signages posted in comfort rooms and pantry areas.

Bria Homes value the availability of water as it increases the move-in confidence of buyers. In the offices, Bria enforces a water consumption reduction policy in place that directs all employees to keep their water use to a minimum and brings awareness on the significance of water conservation as well.

Both companies comply with the regulations set under the DENR Administrative Order (DAO) no. 39 series of 2003 and its implementing rules and regulations and other regulations under the Clean Water Act. Said regulations are also communicated among all employees and are the sole bases for monitoring effluents.

Risks

The water crisis that the Philippines had been experiencing for the past years demonstrates the serious need for water conservation and how important it is to support conservation advocacies inspired by it. Having no means to record the reduction in the Group’s water consumption hinders it from monitoring its performance over time. Moreover, if not supervised and regulated properly, contaminated water and hazardous liquids can cause soil and underground contamination which may lead to various health risks in nearby communities.

Management Approach to Risks

Golden MV is actively doing its part in its day-to-day operations through the implementation of various water-saving practices.

Both Golden Haven and Bria Homes recognize that monitoring water consumption is important, thus they continue to analyze their water conservation practices through the billings they receive. The Company's initiatives to reduce or control its water consumption include water conservation and water recycling. At least 20% of the water is recycled.

Employees are always advised to be cautious in handling substances, especially hazardous wastes, that may lead to contamination when not managed accordingly. The improper disposal of such is also strictly prohibited.

Water discharge conditions are consistently monitored according to the DENR parameters. Design and implementation of sanitary systems and use of septic tank/STP with proper waterproofing are also in place.

Opportunities

Golden Haven sees the opportunity to harness rainwater during the wet season to decrease the need for huge amounts of groundwater and water taken from third-party sources. The following water-efficient practices are also being considered for implementation in existing and future developments:

- Rainwater collection and distribution system
- Scheduled watering to reduce the rapid evaporation of water

- Use of water-saving containers for plants to require infrequent watering
- Recycling water used for domestic purposes

Furthermore, Golden Haven plans to improve the quality of the Company's wastewater in accordance with the parameters set by DENR. Because of this, the Company is doing research on how to recycle effluents from the STP to water landscapes and for other suitable purposes. This is to minimize water discharged to rivers near parks. Effluents are constantly monitored and improved via monthly preventive maintenance of the STPs.

On the other hand, Bria Homes will continue to monitor the daily consumption of water especially those with lower efficiency of consumption versus the supply and adjust accordingly. Moreover, to avoid leaks, waterlines will be continually inspected and repaired immediately if needed. For facilities and developments ready for turnover, Bria always liaises with a more experienced and established water main provider such as Manila Water to manage water systems more effectively and efficiently.

Management Approach to Opportunities

Golden Haven follows the: (1) Implementing Rules and Regulations (IRR) of DENR Administrative Order (DAO) No. 16, Series of 2002 Entitled "The DENR-EMB National Environmental User's Fee of 2002"; (2) DAO No. 2003-39[12] for monitoring the quality of effluents from the Sewage Treatment Plants (STPs); and (3) requirement for Pollution Control Officers (PCOs) to participate in DENR's seminar on water quality monitoring.

To prevent soil and underground contamination from leakages, Golden Haven designs and implements a sanitary system, proper waterproofing of the septic tanks, and management of hazardous wastes through the DENR-accredited transporter. The Company also targets to recycle water by at least 20% through its conservation practices.

Apart from the water consumption reduction policy, Bria Homes regularly advises its employees to prevent the nonessential use of water to decrease wastage of clean water.

Other related practices that Bria imposes are:

- Watering plants in the early morning as to not lose too much water from evaporation
- The use of drums for water storage in construction sites to control and monitor consumption accordingly

Materials used by the organization

Disclosure		2021	2020	2019
Golden Haven				
Renewable materials used	Grass (in kg)	182,250	-	14,800
	Plywood (in board feet)	3,507.00	10,056.89	-
	Coco Lumber (in board feet)	1,444.60	1,447.83	-
	Phenolic Boards	963.00 bd. ft.	12 pcs.	-
Non-renewable materials used	Concrete	2,595.24 m^3	-	1,350,760 kg
	Paint (in L)	3,462.00	3,432.40	9,427
	Cement (in bags)	12,341.00	9,461.40	-
	Sand (in m^3)	840.86	422.26	-

[12] The water discharge standard involves the monthly testing of STP effluent and monitoring of its results with the following DENR parameters: pH, BOD, COD, TSS, Color, Oil & Grease, and T. Coliform.

	Gravel (in m^3)	26,196.00	367.32	-
	Marble	72,900 kg	3.10 m^3	22,469 kg
	Rebars (in kg)	94,704.26	133,315.48	-
	Welding Rods (in kg)	358.00	16.00	-
Percentage of reclaimed products and their packaging materials	Concrete Vault	5%	N/A	9%
	Marble Maker	10%		9%
Bria Homes				
Renewable materials used	Lumber/Woods[13] (in linear meters)	2,994	3,732	5,378 M
Non-renewable materials used	Cement (in bags)	151,386	70,510	205,901
	Metals (in pieces)	1,070,129	270,359	11,138,877.50
	Aggregate (in m^3)	13,515	6,958	28,143
Percentage of reclaimed products and their packaging materials		N/A	N/A	0%

Impacts

Golden Haven is growing at an average of three to four new projects per fiscal year. Across the country, the Company has over 30 memorial parks and 34 developments as of 2021. Hence, the need for materials has increased as compared to the previous years. Material consumption is monitored through direct measurement based on specifications, plans, and Bill of Quantities. For estimations, the figures are based on the completed projects' actual cost.

Apart from the use of renewable materials in its construction operations, Bria Homes ensures that no material will be put to waste by partnering with third-party buyers and the local government units where it operates. Material consumption is being monitored through direct counting.

Management Approach to Impacts

Golden Haven ensures that proper supervision of acquired materials are applied throughout their life cycle by employing appropriate measures starting from their purchase to their disposal. The Company purchases grass from suppliers, supplemented by an in-house nursery from where it gets most of its supply. The seedlings are requested from the DENR offices which helped reduce the cost of procuring plants from private sellers.

Golden Haven is opting for reusable materials over disposable ones. Moreover, it chooses better quality and innovative materials for longer durability, resulting in less replacement and less repairs.

In observance of material efficiency and to maximize the use of its acquired supplies, Bria sells all scrap materials from every project site to third-party buyers.

The Company's initiatives to improve its material efficiency is through continuous studying before constructing and incorporating it to the plans (E.g., bar cutting list, etc). This includes reviewing the Bill of Materials quarterly to monitor the price and validate the materials used on the houses.

Risks

[13] This material can be also referred to as Rough Lumber or Coco Lumber.

Golden MV recognizes the following risks in using renewable materials:

1. Cost - usually higher cost compared to usual materials and may lead to exhaustion of budget
2. Quality - durability and strength mostly inferior to standard materials
3. Availability - not available on all local hardware and suppliers

The risk in using non-renewable material is that waste generated by non-renewable materials can be very impactful to the environment even with proper disposal.

Management Approach to Risks

Golden Haven ensures to maximize reusability of materials and properly dispose of unusable ones to lessen direct disposal to landfills. Its employees are provided with the appropriate protective equipment and given training on how to properly dispose of such materials. In practice, the Company procures quality materials from registered hardware suppliers.

Bria ensures that suppliers can meet its demands anytime. The Company reviews the bill of materials (BOM) every quarter to monitor the price of each and validate the supplies used. The Company ensures that proper supervision of acquired materials are applied throughout their life cycle by employing appropriate measures starting from their purchase to their disposal. Apart from the use of renewable materials in its construction operations, Bria ensures that no material will be put to waste by selling all scrap materials from every project site to third-party buyers.

To avoid inventory gaps of necessary materials, Bria sees to it that enough stock has been ordered before beginning a new phase of a project to avoid delays in its completion or have any setbacks on the timeline. The Company also identifies and keeps a record of substitute materials that can be used in the rare event that the preferred supplies are not available.

Majority of purchased materials used in housing construction are non-renewable ones.

Scraps like lumber were either sold to sister companies like Camella or transferred out to other warehouses (within the Villar Group only).

Opportunities

Golden Haven sees the opportunity to cut down on procurement expenses and reduce the Company’s waste by acquiring and utilizing materials that are durable and can be used for a long time.

The Company's initiatives to improve its material efficiency include opting for reusable materials over disposable ones. Choosing better quality and innovative materials for longer durability, resulting in less replacement and less repairs.

On the other hand, Bria Homes plans to shift to renewable materials for most of the supplies used in the construction of the buildings.

Management Approach to Opportunities

As Golden Haven always emphasizes the importance of being efficient in its use of materials, it has been a common practice in all its facilities to recycle or reuse materials and equipment such as vaults, markers, and other interment materials whenever possible. This practice helps in reducing the generation of waste by the organization.

Moreover, Golden Haven is doing research on the possibility of prioritizing the use of sustainable and/or renewable materials/products and how to innovate its operations where quality and cost-efficient products are integrated.

One of the Company's strategies to assess and manage environmental impact of products throughout their lifecycle is through maximizing reusability of materials while properly disposing unusable ones, making sure to send minimal volumes of wastes as possible to landfills; hence, lessening the damage to the environment. For instance, scrap papers, tarpaulins, plastic bottles are used to turn into decorations and used as pots for plants.

As for Bria Homes, the organization will continuously track its inventory of renewable materials used in the construction of its houses. This data will be used as the basis for further improvement of its material efficiency. Renewable alternatives are also being considered to replace non-renewable supplies while still considering the quality of the Company's projects.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Since the start of its operations, no existing facility or ongoing project of both Golden Haven and Bria Homes is in or near any areas of high biodiversity. Hence, both Companies have identified no significant impacts and risks in relation to the topic.

The Group uses a particular criteria in developing memorial parks and residential properties. Golden Haven continues to work on developing existing, undeveloped, and contiguous land areas. The Company checks on the suitability of the land based on property costs, land access, water and power supply, and other infrastructure. Simultaneously, it conducts market assessment considering potential market size, income levels, and presence of established competition in the area.

For residential developments, Bria Homes conducts engineering and environmental assessments and market research to determine land suitability. Specifically, it looks into the following:

- Topography that is appropriate for housing development
- General economic condition of the broad environment of the property
- Proximity on areas with sufficient demand that is expected or anticipated
- Accessibility from nearby roads and major thoroughfares
- Availability of utility infrastructure for electricity, telecommunication, water, among other
- Overall competitive landscape and the neighboring environment and amenities.

As part of their commitment to incorporating environmental awareness into decisions, day-to-day operations, and programs, Golden Haven and Bria Homes are aiming to organize various environment-related projects and engage in environmental advocacies. A management plan is also being deliberated on should one or both Companies have any negative impacts on biodiversity in the future.

Environmental Impact Management

Air Emissions

GHG (in tonnes **CO_2e)**

Disclosure	2021	2020	2019
Golden Haven			
Direct (Scope 1) GHG Emissions	200.80	217.98	346.14
Energy indirect (Scope 2) GHG Emissions	356.59	65.49	813.95

Emission of ozone-depleting substances (ODS)	N/A	N/A	0
Bria Homes			
Direct (Scope 1) GHG Emissions	1,134.18	237.81	1,923.52
Energy indirect (Scope 2) GHG Emissions	24.24	510.51	734.64
Emission of ozone-depleting substances (ODS)	N/A	N/A	No data

Air Pollutants

Golden Haven and Bria Homes have no available monitoring system to track air pollutants emitted by their operations.

Impacts, Risks, and Management Approach

Golden Haven and Bria Homes believe that emissions affect the air quality in developments and surrounding communities. With the return of office operations and vaccine roll outs, energy consumption has increased in 2021 that resulted also to increased emissions during the year.

The companies, therefore, continued on their energy conservation policy that consisted of several initiatives aimed to increase energy efficiency within the operations. One of these is that air conditioning units' (ACU) usage must be properly monitored. The ACUs must be well maintained to decrease the need for replacement of refrigerants, most of which have zero ozone-depleting potential. Another is the use of solar street lights that reduce the consumption of energy from utility providers. For other energy-efficient practices of the Group, refer to Energy Consumption within the Organization section.

Opportunities and Management Approach

Golden MV is continuously investing in solar energy in its parks and residential developments.

Golden Haven and Bria Homes are actively doing their share in the goal of reducing the amount of air pollutants emitted by strictly enforcing the following:

- Thorough evaluation of refrigerant specifications before purchasing
- Phasing out any disinfectant spray that emits air pollutants
- Monitoring of dust emission and careful dust dispersion control within project sites
- Regular vehicle check-ups and maintenance

Golden Haven substantially reduces the number of trees cut down for the development of raw land where its facilities will be constructed. All roadsides are planted with trees and luscious softscape aimed to showcase the beauty of their locations. The Company is opting also for solar street lights to reduce Scope 2 emissions.

Meanwhile, Bria Homes ensures that green spaces, available for the recreation and relaxation of its homeowners, are always included in the development of its properties.

Solid and Hazardous Wastes

Solid Waste

Disclosure	2021	2020	2019
Golden Haven			
Reusable (in kg)	420	7,797	31,535
Recyclable (in kg)	-	-	4,348

Composted (in kg)	10,955	1,408	379,601
Residuals/Landfilled (in kg)	119,284	26,517	425,321
Onsite storage[14] (in kg)	795	174	
Bria Homes[15]			
Recycled and Composted (in tonnes)	5[16]	Data not available	N/A
Landfilled (in tonnes)	550		

Hazardous Waste

Disclosure	2021	2020	2019
Golden Haven			
Total weight of hazardous waste generated	519	190	13 kg
• Bulbs (in pcs.)	238	121	
• Batteries (in pcs.)	281	69	
Total weight of hazardous waste transported	0	Data not quantified	
Bria Homes			
Total weight of hazardous waste generated	Data not monitored	Data not available	0 kg
Total weight of hazardous waste transported			0 kg

Management Approach to Impacts

As Golden Haven is expanding to more than 30 locations nationwide, the Company has recorded an increased volume of wastes generated in 2021 While in Bria, it has accumulated 550 tonnes of domestic wastes during the same year.

Golden MV adheres to the Environmental Management Bureau's call to observe proper waste segregation through the regular updating and strict implementation of its solid waste management plan. Golden Haven and Bria Homes also ensure that appropriate measures are employed in the use and disposal of hazardous wastes. These practices are in accordance with the R.A. 9003 (Ecological Solid Waste Management Act of 2000) and the Code on Sanitation of the Philippines.

Golden Haven

The Company collects and monitors waste-related data by the number of bags and haul-out trips every week. The hazardous wastes are monitored using weighing scales and sealed properly in preparation for collection by the DENR-accredited transporter.

Implementation of proper waste segregation, the "Reduce, Reuse, Recycle" principle, and careful use and handling of all materials are observed by the organization. Moreover, employees are encouraged to reuse paper for non-formal documents and other printouts and to use reusable containers instead of disposable ones to prevent generation of plastic wastes. The Company is practicing a paperless approach in which every transaction is digitalized. Customers are being offered the option to reuse interment materials for better services. Food wastes and other biodegradables are continually composted either in sites or in the Vermi Composting Facility of the Villar SIPAG Foundation. Bulbs and batteries are disposed of by DENR-accredited recyclers.

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[14] This includes damaged tools.

[15] The data covers wastes generated by Bria Trece, Bria Calamba, Bria San Pablo, and Bria Sta. Maria. Domestic wastes usually include kitchen waste or dry wastes.

[16] Bria Sta. Maria has a materials recovery facility (MRF) which facilitates the recycling and composting of domestic wastes generated by the community.

The Company recovers and collects left-behind trash such as cans and plastic cups that can still be used as pots for its nursery. Golden Haven discourages the use of plastic materials. However, if plastics must be used, then the Company always advises people to dispose of them in appropriate waste bins.

Bria Homes

Proper waste segregation as well as the "Reduce, Reuse, Recycle" principle is employed in all project sites. Recycling is being handled by the property management and homeowners association (HOA). Bria also consistently advises its employees to carefully use and handle all materials to maintain efficiency and maximize their utility and usefulness.

Risks, Opportunities, and Management Approach

While Golden MV does not see any significant risk related to this topic, the Group is slowly shifting to paperless approaches through digitalization of almost every transaction. It also considers the opportunity to (1) reuse products and materials that are still in good condition to save on cost and decrease the amount for generated wastes; (2) raise awareness on the importance of proper waste disposal throughout the organization's supply chain; and (3) intensity safety measures in using products with hazardous content.

Management Approach to Risks and Opportunities

Golden Haven donates used memorial caskets that are in good condition to its neighboring barangays. Stock capacity is also constantly monitored.

To minimize the generation of hazardous waste, employees make accurate measurements and only use the maximum allowable dosage of formaldehyde for the mortuary. The Company has a septic tank used exclusively for hazardous wastes such as formaldehyde. This is properly monitored and managed with an accredited siphoning service being routinely arranged to dispose of the collected hazardous wastes.

On the other hand, Bria ensures that all used products and materials that are still in good condition will not be put to waste. Containers, for instance, are reused as storage for other construction materials or garbage cans regardless of size and shape. This practice also generates profit as the Company sells other reusable materials such as used tires.

Bria has hired a property manager who helps in managing wastes on site. In subdivisions, buyers and homeowners segregate their wastes as hazardous and non-hazardous. Materials Recovery Facilities (MRFs) are being established in different sites to facilitate recycling and composting; with one MRF established in BRIA Sta. Maria.

Effluents
Disclosures for this topic are merged with the Water section.

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	2021	2020	2019
Golden Haven			
Total amount of monetary fines for non-compliance with environmental laws and/or regulations (in PhP)	0	0	0
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0
No. of cases resolved through dispute resolution mechanism	0	0	0
Bria Homes			
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	0	0
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0
No. of cases resolved through dispute resolution mechanism	0	0	0

Impacts, Risks, Opportunities and Management Approach

Golden MV's operations require compliance with various environmental regulations and obtain approvals, permits, and licenses to develop memorial parks and residential developments. Since the start of its operations, both Golden Haven and Bria Homes have not violated any environmental laws or regulations.

Golden MV maintains an immediate understanding of the objective of the violation and complies with the set regulations, making sure that such violations are prevented. Otherwise, the Group may be imposed for regulatory actions with substantial penalties. Changes in regulations may also result in increased compliance costs or capital expenditures which can impact profitability and growth.

Golden Haven and Bria Homes ensure to actively observe environmental laws and regulations through its diligent efforts to acquire an Environmental Compliance Certificate (ECC) and other necessary environmental permits and licenses from the Housing and Land Use Regulatory Board (HLURB), the Laguna Lake Development Authority (LLDA), Department of Agrarian Reform (DAR), and Department of Environment and Natural Resources (DENR).

SOCIAL DISCLOSURES

Employee Management

Employee Hiring and Benefits
Employee Data

Disclosure	2021	2020	2019
Golden Haven			
Total number of employees	209	214	119
a. Number of female employees	148	151	82
b. Number of male employees	61	63	37
Attrition rate[17]	-2%	-16%	33%
Ratio of lowest paid employee against minimum wage	1:1	1:1	1:1
Bria Homes			
Total number of employees	462	633	1,074
a. Number of female employees	330	347	207
b. Number of male employees	132	286	867
Attrition rate[11]	11%	-3%	4%
Ratio of lowest paid employee against minimum wage	1:1	1:1	1:1

Employee Benefits

Golden Haven

List of Benefits[18]	Y/N	% of female employees who availed			% of male employees who availed		
		2021	2020	2019	2021	2020	2019
SSS	Yes	75%	8%	8%	50%	100%	3%
PhilHealth	Yes	49%	3%	No data	36%	100%	No data
Pag-IBIG	Yes	49%	3%	No data	36%	100%	No data
Parental leaves	Yes	14%	5%	2%	21%	2%	0%
Vacation leaves	Yes	100%	100%	100%	100%	100%	100%
Sick leaves	Yes	100%	100%	100%	100%	100%	100%
Medical Benefits (aside from PhilHealth)	Yes	100%	100%	See note[19]	100%	100%	See note[13]
Housing assistance (aside from Pag-IBIG)	No	0%	0%	0%	0%	0%	0%
Retirement fund (aside from SSS)	Yes	100%	0%	0%	100%	0%	0%
Further education support	No	0%	-	0%	0%	-	0%
Company stock options	No	0%	0%	0%	0%	0%	0%
Telecommuting	Yes	100%	100%	-	100%	100%	-

Bria Homes

17 Attrition rate = (no, of new hires – no. of turnover) / (average of total no, of employees of previous year and total no. of employees of current year)

18 Housing assistance, Retirement fund, Further education support, and Company stock options were reported to be provided in 2019.

19 Percentage cannot be disclosed due to data privacy.

List of Benefits[20]	Y/N	% of female employees who availed for the year			% of male employees who availed for the year		
		2021	2020	2019	2021	2020	2019
SSS	Yes	32%	12%	12%	25%	15%	15%
PhilHealth	Yes	10%	6%	6%	8%	3%	3%
Pag-IBIG	Yes	30%	6%	6%	20%	3%	3%
Parental leaves	Yes	3%	<1%	<1%	1%	<1%	<1%
Vacation leaves	Yes	100%	52%	54%	100%	22%	42%
Sick leaves	Yes	100%	28%	9%	100%	12%	7%
Medical Benefits (aside from PhilHealth)	Yes	100%	<5%	See note[21]	100%	<5%	See note[21]
Housing assistance (aside from Pag-IBIG)[22]	Yes	0%	<5%	-	0%	<5%	-
Retirement fund (aside from SSS)[23]	Yes	0%	0%	-	0%	0%	-
Company stock options	Yes	0%	0%	-	0%	0%	-
Telecommuting[23]	Yes	2%	0%	-	0%	0%	-

Diversity and Equal Opportunity

Disclosure	2021	2020	2019
Golden Haven			
% of females in the workforce	71	71	73
% of males in the workforce	29	29	27
Number of employees from indigenous communities and/or vulnerable sector*	0	0	0
Bria Homes			
% of females in the workforce	71	55	19
% of males in the workforce	29	45	81
Number of employees from indigenous communities and/or vulnerable sector*	0	0	0

Impacts

Golden Haven

Golden Haven gives equal opportunities to all jobseekers regardless of their age, gender, marital status, cultural background, or place of origin. The company uses inclusive language in job ads, sets job-related criteria for hiring new employees, and accommodates people with disabilities.

[20] In 2019 & 2020, Housing assistance, Retirement fund, Company stock options, and Telecommuting were reported to be not provided to employees.

[21] Percentage cannot be disclosed due to data privacy.

[22] Provided only upon approval

[23] Provided to specific departments only such as Audit

Knowing that its employees are the key to its exemplary reputation in the death care industry, Golden Haven ensures that they are given the utmost importance by offering them a competitive compensation program. These benefits inspire employees to work harder and smarter thus, improving productivity and efficiency. More employees are attracted to stay and grow in the Company.

Competitive salary programs benefit the Company to attract and hire quality talents; retain motivated or engaged employees; and can be a leverage for employee's overall job satisfaction. For benefits that can cover COVID-19-related expenses, employees can avail the salary advance or financial assistance upon request.

Bria Homes

Bria has observed more participation of females in 2021, comprising 55% of the total new hires.

The Company offers a competitive compensation program that substantially boosts the retention rate of its employees.

Bria ensures that a proper workplace turnover in cases of retirement, resignation, or termination of employment is in place and will be implemented.

Management Approach to Impacts

Golden Haven

Golden Haven believes that hiring people of diverse backgrounds creates good teamwork, high respect and builds great results. The Company upholds diversity and inclusiveness in the workplace and narrowing the gap between the gender ratio is always a consideration. The Company values the skills, qualifications, and contributions of each employee and does not discriminate based on gender, age, civil status, and any particular trait.

Golden Haven offers a wide range of benefits above those government mandated as it provides a competitive salary, annual increase depending on the employee’s performance, bonuses, training, and budgeted activities and parties that encourage the employees to stay and grow their careers with the Company.

Bria Homes

Bria implements a non-discrimination policy and offers equal employment opportunities to all applicants during the recruitment process. The Company bases its job offers on candidates who match their competencies with the role requirements.

Bria offers its employees a competitive salary and set of benefits, including more health benefits than what PhilHealth offers. Its employees have the privilege to have their own health cards and insurance as well as leaves beyond the government-required service incentive leave and monthly day offs. Annual appraisals that serve as good avenues for promotions and salary increases are also among the generous benefits that the Company’s staff can enjoy.

The Company conducts a “Newbie Orientation” and a one-week discussion between a new employee and the resigned or the Team Leader as part of the shadowing process.
Training of new employees is also a collaborative effort between different departments. The Company’s IT department, for instance, provides a one-week training to newly hired employees of the accounting department for the use of relevant application software.

Risks
As health risks continue to proliferate, businesses endure high turnover rates in 2020. Employees and workers express fear of catching the virus that significantly influenced their decision to separate from their companies.
Management Approach to Risks
The Group's strategies and policies on attracting new talent are to develop a powerful employer brand; to increase the efficiency of recruitment process by investing in digital technology; and to continue the effort in general for digital transformation. Focusing on employee wellness is also one in response to pandemic. Both companies safeguard its employees with medical insurance, allowance, 12 days each of vacation and sick leaves, and bonuses. Protective gears and vehicles were also provided to assure the health and safety of employees in performing their duties. In case of turnovers or retirement, the companies see to it that employees are versatile and information about a specific department is available for use. The challenges that the Company faced in 2021 in hiring and retaining talents were voluntary unplanned "turn-over" and increasing time to fill rates; and controlling the increasing turn-over rate due to employees' fear of getting sick or being contacted with COVID-19 virus.

Opportunities
Opportunity to compensate for the excellent performance of its employees and enhance the Company's succession or turnover process. Opportunity to employ a more inclusive recruitment process and to attract more new applicants.
Management Approach to Opportunities
Golden and Bria The Companies accept applicants regardless of gender, age, and the civil status during the recruitment process. They present fair and equal opportunities for interested applicants that are well-suited for the positions. Golden Haven provides trainings to peak performers. Bria is also planning to offer more training, especially for the Continuing Professional Development (CPD) of its employees, in the next few years. Aside from the minimum requirements by the regulatory institutions, both companies extend what is deemed necessary for employees, like the HMO package. They regularly monitor employee morale to prevent possible resignations. Whenever people resign or are separated, the Company immediately hires a replacement before the effective date of separation.

Employee Training and Development

Disclosure	2021	2020	2019
Golden Haven			
Total training hours			
a. Female employees	39	4,026	1,400

b. Male employees	30	1,36	376
Average training hours			
a. Female employees	0.26	26.66	17
b. Male employees	0.49	21.69	10
Bria Homes			
Total training hours			
a. Female employees	80	68	72
b. Male employees	124	124	248
Average training hours per employee			
a. Female employees	0.24	0.20	0.72
b. Male employees	0.94	0.43	4.59

Impacts and Management Approach

Golden Haven

Golden Haven ensures that its employees continuously improve their skills and qualifications by providing various training programs that will substantially improve them in performing their respective job functions. Such trainings also benefit the Company as they help employees achieve identified goals. Developing and enhancing the needed skills of the employees increased operational efficiencies of the employees and their capacity to adapt to new processes and technologies.
Some of Golden Haven's employee training programs are enumerated below.

Staff level:
- Image Enhancement
- Business Communication
- Work Attitude
- Values Enhancement

Supervisory level:
- Leadership Enhancement Program
- Problem-Solving and Decision-Making
- Supervisory Development Program

Managerial level:
- Management Development Program
- Creative Problem-Solving and Decision-Making
- Coaching and Counselling

Bria Homes

With the help of the annual evaluation process, Bria identifies the specific areas requiring improvement for each employee and organizes training sessions per level whenever deemed necessary. The Company also complies with the trainings required for each work function.

Risks

Low growth in the personal development of the Company's employees, low productivity in its operations, low employee morale, and an increase in the attrition rate are some of the inherent risks that Golden Haven must prepare for and manage.

Moreover, the Company usually conducts trainings and workshops however, face-to-face gatherings are not allowed. The restrictions became a challenge for conducting the workshops and meetings. Hence, an online platform was maximized for the purpose.

Bria has identified two possible risks in the training and development of its employees:
1. Ranks will be evident in groupings
2. Employee resignations

Management Approach to Risks

Golden Haven

The Company provides its employees with comprehensive training and development programs as listed above. In 2021, the Company organized and attended/webinars that maximize the work-from-home arrangement. Some of the training sessions provided are MS Excel, P&A Tax Compliance Webinar, NOAH Training, Payment Options, Technical Service Training, HRIS, and Digital Marketing webinars. These are mostly catered to employees performing marketing, finance, and human resources functions.

Bria Homes

The Company organizes trainings in a way that employees with similar job functions are grouped together regardless of rank. Bria also does not require its employees to be bound by a contract before enrolling in certain trainings.

Opportunities

Opportunity to compensate for the excellent performance of the Company's employees and to recognize the professional growth of its employees that contributed to the overall quality of the Company's workforce. The Company recognizes its employees' performance by giving promotions and salary increases.

The Company's target related to training and development of employees is to launch the Learning Management System that will effectively facilitate the training and development initiatives of the Company.

Management Approach to Opportunities

Golden and Bria

Golden Haven regularly evaluates the performance of all employees, pre-regularization and annual, through its performance appraisal system, complemented by training evaluations, to monitor their productivity and efficiency, and know which aspects can be improved. During the reporting year, all employees in all ranks are evaluated.

Golden Haven aims for skills and performance improvement of 100% of the target attendees. Performance Appraisal is used as a tool for evaluating employee performance.
Bria acknowledges every milestone of its employees and uses it as a reference for the necessary training and monitoring of their improvement.

Both Companies reward their employees' excellent performance through promotion and/or salary adjustments.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	2021	2020	2019
Golden Haven			
Safe Man-Hours	1,297,296	17,568[24]	892,800
No. of work-related injuries	0	0	3
No. of work-related fatalities	0	0	0
No. of work-related ill-health	67[25]	0	See note[26]
No. of safety drills	0[20]	0[27]	6
Bria Homes			
Safe Man-Hours	1,977,624	1,873,920	35,088,480
No. of work-related injuries	0	0	8
No. of work-related fatalities	0	0	0
No. of work-related ill-health	0	0	See note[24]
No. of safety drills	1	0[25]	17

Impacts

Golden Haven

The Company ensures that all its employees are in good health and are made aware of the necessary basic emergency responses. The Company has documented health and safety policy and legal requirements conforming to Occupational Health and Safety Standards. The scope of coverage of the policy is applicable to all places of employment with the objective of protecting every employee against the dangers of injury, sickness, or death through safe and healthy working conditions.

The Company implemented additional policies in response to COVID-19 in compliance with RA 11058 and in compliance with the IATF Guidelines (DOH & DOLE) in response to the pandemic. Such as health screening forms, temperature monitoring upon entry, mandatory face masks, regular disinfection, and other safety protocols conforming to IATF and LGU resolutions.

These are then communicated to employees by email announcements, health bulletins, text blasts, and postings of the guidelines on the arrangement and management of the workplace health and safety.

Bria Homes

The well-being of all Bria's employees are cared for by implementing a health and safety policy in the workplace and health and wellness programs.

Management Approach to Impacts

Golden Haven

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24 This figure is a combination of the safe man-hours of employees and workers.

25 These are recorded cases of employees who were COVID-19 patients in 2021. Some records are repeated for the same employees as there were cases when an employee has acquired the virus more than once. Although the source of transmission is mostly unknown, employees determine their results from tests that are facilitated by the company. Hence, these are tagged as transmissions from the office.

26 Recorded number of work-related ill-health is consolidated with the number of work-related injuries in 2019.

27 No drills conducted due to COVID-19 restrictions.

Employees are provided with annual physical examinations as well as regular vaccinations (For chapel personnel). In case of emergencies requiring basic medical treatments, first aid kits are available in every facility.

Golden Haven has a health and safety policy in conformance with the Occupational Health and Safety Standards. It covers all places of employment with the objective of protecting employees against injuries, sickness, or deaths through safe and healthy working conditions. Provisions of this policy are communicated to the employees through email announcements, text blasts, and regular posting. It is the basis of the Company in implementing its preventive measures.

The safety policy institutionalizes the health and safety committee. It is its responsibility to ensure a safe and healthy environment for all workers and employees. Members of the Committee endorse proposals to the Management. Said members meet quarterly.

Bria Homes

Beneficial activities provided to employees are listed below:
- Calisthenics
- Monthly Health Bulletins
- Annual Physical Examinations (APEs) – all core employees are provided with health care plans.

Risks

Golden Haven

With the recent turn of events, the COVID-19 pandemic has been a serious threat to the health of, not just Golden Haven, but to the global community. Exposure to communicable diseases was also identified as a work-related hazard that may pose a risk of high-consequence injury or ill-health.

OSH Committee is responsible for ensuring all health and safety protocols are implemented. The committee should have a regular meeting, but this was not on a regular basis. No full authority is given in terms of decision-making as any decision should be done in consultation/approval of the management. Accident Reporting and Investigation Procedure is in place for any work-related hazards or incidents.

The challenge that the Company faced during the pandemic was ensuring the health and safety of employees. The Company needed to be proactive about mitigating the risk of employees' exposure through physical modifications in the workspace to reduce contact, changing work schedules to limit the number of employees physically present in the office, encouraging social distancing, and strictly enforcing cleaning hygiene.

Bria Homes

Operations ordinarily pose health and safety risks from which employees must be protected. These risks include
a. Accidents and illness cases
b. Non-compliance with local laws and regulations results in a penalty of Php40,000 (DO 198, Section 29 and DO 13, Section 5)
c. Low employee productivity due to work-related accidents or illnesses
d. Lack of knowledge on the proper safety practices in the workplace

Bria Homes also recognizes the health risk of its employees due to the COVID-19 pandemic.

Management Approach to Risks

Golden Haven

Additional safety policies were implemented in response to COVID-19 in compliance with the IATF and LGU resolutions. Daily screening forms, temperature monitoring upon entry, the mandatory wearing of face masks and face shields within the premises, weekly disinfection drives, as well as full PPE for all Golden Haven chapel associates, are strictly implemented. Additionally, the Company restricted any travel and, instead, provided shuttle services and digitalized its transactions to keep exposure at a minimum. Rapid tests and RT-PCR tests are administered to uphold a safe work environment for its employees.

The Company practices job hazard analysis (JHA) as part of its hazard identification and risk assessments. Results of which undergo a check and balance procedure to ensure quality and accuracy. The analysis allows early identification of hazards and prevents occurrences of work-related injuries and illnesses. Employees are encouraged to submit observation reports through email, online messaging, or verbal reports in case of potential causes of hazards.

For disasters such as fire or earthquakes, the Company annually conducts drills. Employees and workers are informed to evacuate calmly and proceed to designated safe areas. However, these were not conducted due to the COVID-19 restrictions.

The protocols for General Training for disaster preparedness involve the following: Employees and workers' responsibilities, Identification of possible threats or disaster and its protective action, Discussion of the following procedures: disaster communication, emergency preparedness and response, emergency evacuation and accountability procedure, including the use of emergency equipment.

The Company identifies occupational safety hazards and risks through risk assessment and hazard assessment. The Company has been reactive on this. Any identified risk is dealt with at once.

Bria Homes

To identify safety hazards and risks, Bria conducts monthly site safety inspections using JHA. It then comes up with a management plan that is carried out through thorough follow-ups and continuous discussion during toolbox meetings with all employees and subcontractors involved. Employees are made aware of the Company's health and safety policies, procedures, and updates through the conduct of the following:

a. Regular emails on health and safety bulletins and information
b. Environment and Human Health, Safety, and Security (EHSS) group chat
c. Monthly toolbox meetings and site inspections
d. Annual EHSS orientation/refresher
e. Organization of health and safety trainings:
    - Construction Occupational Safety and Health (COSH)
    - First Aid (FA) training
    - Pollution Control Officer (PCO) training
f. Disaster preparedness trainings that involve the (1) employees' responsibilities, (2) identification of possible threats or disasters and preventive actions, and (3) discussion of disaster communication, emergency preparedness and response, emergency evacuation, and accountability procedure, and the use of emergency equipment

Bria strictly implemented COVID-19 policies imposed by the Group. IATF-approved workplace guidelines were observed. These are as follows:

- Alternative work arrangements through work from home (WFH) wherever is feasible, and rotation basis.

- Meetings needing physical presence shall be kept to a minimum number of participants and with short durations, thus, video conferencing shall also be utilized for lengthy discussions among workers.
- Prolong face-to-face interaction between workers and clients are discouraged and masks shall be always worn and should not be removed.
- For workstations, office tables should be arranged to maintain proper physical distancing as barriers may be provided between tables; and Regular disinfection of offices.

Opportunities

Golden and Bria

The Company assures that any emergency related to health and safety are properly taken care of through employee trainings and information dissemination. It has protocols in place during an accident and disaster to further ensure the safety of its employees and prevent casualties.

The Company's programs to ensure its employees' health and wellness include Health Bulletin and APE. For health and safety, the Company conducts Occupational Safety and Health (OSH) Training and First Aid (FA)Training.

Management Approach to Opportunities

Golden Haven

Golden Haven will continue to proactively follow the Department of Health's (DOH) provisions. As a death care service, the Company continuously seeks approvals, registrations, and reports to DOH in compliance with regulations for a healthy and safe environment for employees and customers. Necessary health and safety protocols were adapted and implemented to prevent the transmission of COVID-19 within and outside the Company.

The Company provides health-related leave of absence as their non-occupational medical and healthcare service, available to regular employees.

Bria Homes

The Company implements an Accident Reporting and Investigation Procedure as detailed below:

a. Verbally advise the Project Safety Officer, Project in Charge, and/or Project Manager after the occurrence of an accident.
b. All injuries should be recorded in a register.
c. First aid treatment shall be administered by a trained First Aider for minor injuries.
d. For major injuries, the patient or victim must immediately be transported to the nearest hospital for immediate medical attention. A total work stoppage may be issued in case of an accident or dangerous occurrence concerning the work areas. A written incident report shall be submitted within 24 hours from the time of the accident.

Employees and workers undergo general training on disaster preparedness wherein their responsibilities, identification of possible threats and disasters, and protective actions are discussed. Additionally, they are also well-informed of the procedures for disaster communication, emergency preparedness and response, emergency evacuation, and accountability procedure, including the use of emergency equipment.

The protocols for disasters are as follows:

a. Remain calm and activate the disaster response team in the workplace.

b. Follow the disaster preparedness and response plan
c. Follow posted emergency evacuation procedures according to each disaster:
    - Typhoon
    - Flood
    - Fire
    - Tsunami
    - Volcanic eruption
    - Earthquake

Labor Laws and Human Rights

Disclosure	Golden Haven			Bria Homes		
	2021	2020	2019	2021	2020	2019
No. of legal actions or employee grievances involving forced or child labor	0	0	0	0	0	0

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g., harassment, bullying) in the workplace?

Topic	Y/N					
	Golden Haven			Bria Homes		
	2021	2020	2019	2021	2020	2019
Forced labor	N	N	N	N	N	N
Child labor	N	N	N	N	N	N
Human Rights	N	N	N	N	N	N

Labor-Management Relations

Disclosure	2021	2020	2019
Golden Haven			
% of employees covered with Collective Bargaining Agreements	0	0	0
Number of consultations conducted with employees concerning employee-related policies	0	0	0
Bria Homes			
% of employees covered with Collective Bargaining Agreements	0	0	0
Number of consultations conducted with employees concerning employee-related policies	0	0	<5

Impacts

Despite having no formal policies banning forced labor, child labor, and other human rights-related issues, Golden MV safeguards the wellbeing of its employees and ensures that all their needs are taken care of, which is evident in the zero cases of legal actions and employee grievances filed in 2021. Furthermore, no incidents of discrimination, harassment, abuse, and violations of human rights and socio-economic laws are reported during the reporting period.

Management Approach to Impacts

Golden Haven and Bria Homes carefully select the members of their workforce by conducting a series of exams and interviews designed to assess not only their skills and qualifications but their character as well.

It is also an unwritten policy of both Companies that the rights of their employees must be respected and strictly observed. This includes the prohibition of forced and child labor, harassment, bullying, and discrimination in the workplace. This resulted in zero non-compliance with socio-economic laws and regulations in 2021. The HR department is always involved to ensure compliance of employee-related policies and regulations.

All new hired employees undergo a briefing of the Company Values and Policies. Employees are monitored of their adherence to the corporate values through performance evaluations. Procedural due process is observed for any grievance case handled.

Enumerated below are the different channels that Golden Haven's employees can use to present their concerns:

a. An annual values session where employee concerns and grievances are gathered and forwarded to the management for direct action.
b. A suggestion box system where employees can write their concerns and suggestions anonymously.
c. An open-door policy that mandates the Management to be open to all issues and grievances that their employees may have; and
d. Annual evaluations also serve as a way for employees to freely express their concerns

The Company also employs a 360-degree feedback system during the open session wherein inputs from all position levels are considered in making work-related decisions. The HR department keeps an open communication with all employees where all information and concerns are kept confidential.

Bria ensures that its employees can voice out their concerns and opinions anytime by keeping an open communication channel managed by key personnel assigned by the Human Resources department to record and respond to such concerns.

In case of operational changes affecting certain functions/departments, the Company provides a one or two-week notice to the function to give way for their preparation for the changes to be implemented.

Risks

Golden and Bria

Non-compliance with labor laws may put the Company at risk of labor law case or case of violation to the regulatory body concerned.

There are no significant risks identified during the reporting period.

Pandemic has disrupted the workplace resulting in new norms. The Company re-assessed and adjusted existing policies and processes to conform with the new requirements in the workplace.

Confidentiality is always a risk in any labor-related concern. The fear of having the employees' identity revealed might be hindering them in expressing their problems and/or opinions. Another is the failure to follow the due process in addressing these concerns.

Management Approach to Risks

Golden and Bria

Golden MV makes sure that there is an open communication channel – through the HR or members of Management where employees can openly discuss their concern. It is then forwarded to the Management Committee for action or investigation, while making sure that the identity of the employee who made the disclosure is protected. Legal consultation, if needed, is involved in the due process, providing appropriate advice to resolve the issue.

Golden MV sees to it that every step taken in addressing violations done are dealt with due process. Legal consultations are involved in dealing with these issues.

The Company values the employees' involvement in the realization of its goals and objectives. It organizes events wherein the milestones and achievements of the organization are presented while recognizing the contribution of each employee to these successes. Golden Haven ensures that the employees are motivated, involved, heard, and inspired so that their participation in the overall objective of the Company is intrinsic to themselves.

Encouraging a culture of open communication, employees can freely disclose their work-related concerns to HR or to their immediate Heads, or to any Officer level in the organization whom he is more comfortable with discussing his concern.

Opportunities

Golden and Bria

Opportunity for the Group to organize training/s in human rights policies and procedures and the employee's compliance of the said policies in their respective job functions.

Opportunity to acknowledge the participation of its employees to the accomplishment of the Company's goals as well as the importance of embedding those goals to their personal and professional development. The employees are protected from retaliation by a policy.

Opportunity to make improvements not only on the part of the employee's manager but on the entire organization as well. Opportunity to enlighten its employees of their rights and the responsibilities of the Company as an employer.

Management Approach to Opportunities

Golden and Bria

Golden MV is considering including human rights in its list of employee trainings to be conducted in the future. Employees are evaluated for their adherence to the Company's corporate values through the annual performance evaluation. The Company conducts human capital risk assessments every quarter.

Bria regularly reviews its employees' concerns, evaluates the areas for improvement, and implements measures for development. The Company also provides leadership trainings to its team leaders and managers to ensure that they have the right skills and character to manage their people.
The Company constantly reminds its employees of their rights and the benefits that they are entitled to as staff of Bria Homes.

Supply Chain Management

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If yes, cite reference in the Company policy
Environmental performance	Golden Haven and Bria Homes have no formal supplier accreditation policy. Nevertheless, both companies consider the following topics through regular practice included in the Company Accreditation process.	
Forced labor		
Child labor		
Human Rights		
Bribery and corruption		

Impacts

Golden and Bria

The Company chooses its suppliers by considering the product cost, flexibility in the demand, quality of service, and value for money. It is important that the supplier always meets the requirement of the Company. Two of the most important factors in Golden Haven's process of selecting its suppliers is distance and background/reputation.

The Company does not have any prioritization going on for local suppliers over foreign suppliers so long as a certain supplier can meet the demands of the Company within the agreed lead time.

Apart from the purpose of evaluation, Bria Homes can instill the importance of monitoring one's environmental and social impacts of its suppliers through the Company accreditation process. No non-compliant suppliers were reported in 2021.

Golden Haven has no unionized workers. To enhance workers' participation in work-related decision-making, the Company is providing avenues to proactively communicate with employees for updates and how to address their comments and feedback.

There are existing policies that provide a channel for receiving complaints and/or for addressing them, i.e., Whistle Blower Policy; Conflict of Interest Policy; Insider Trading Policy, Related Transaction Policy, Policy and Data Relating to Health, Safety and Welfare of Employees, including Company-sponsored trainings; among others.

Management Approach to Impacts

Golden Haven

Golden Haven thoroughly considers the location of a potential supplier's warehouse/store. Choosing nearby suppliers not only lessens its carbon footprint, but also helps it examine whether there are disturbances within their vicinity that may significantly affect the surrounding natural environment.

Golden Haven carefully chooses its suppliers by sourcing and researching their background in the industry. Suppliers must have a good standing reputation as this can affect the reputation of the Company. Furthermore, it also checks the suppliers' compliance to laws and regulations.

For procurement, the Company practices a well-balanced and strictly maintained control of procuring their products. This became a part of the standard operating procedure to monitor well the supplies being purchased on the day-to-day operations. The Company maintains proper communication with direct suppliers so that there will be no inconvenience for both ends.

Bria Homes

The accreditation process helps the Company guarantee a supplier’s ability to meet its specifications and quality standards. Bria maintains the assessment of a supplier’s production capacity, compliance with standards and regulations, and legitimacy of operations, to name a few, to abide by its principle that cost is not a question of numbers, but of value.

The Company builds up a shortlist of possible suppliers through a combination of sources like Recommendations, Directories, Trade Associations, and Exhibitions. Some of the Company's key factors for choosing suppliers are Price (value for money), Reliability, Stability (Financial Security), and Location. In addition, what the Company is looking for in a supplier are Quality, Strong Relationship or a Partnership approach, and Strong Service and Clear Communication.

After having a manageable shortlist, the Company gets formal quotations and product samples then compares the potential suppliers in terms of what matters most like product quality and prices. The right suppliers provide the most suitable goods or services at the most suitable prices and in the right time frames for the Company's specific needs. To assess their environmental impacts, the Company organizes plant visits and interviews. For social impacts, there is no practice yet implemented.

Risks

Golden Haven

The following are the risks that the Company considers:

a. Extreme weather events - Strong typhoons may affect the supply chain due to cancellation of deliveries and/or unavailability of some products & services
b. Catastrophes - Unexpected disasters may cause delays in the supply process. This may lead to delays to provide the products and services that the clients need
c. Supplier Consistency - Suppliers should be able to keep up with the Company’s needs and demands. They should be competitive and must maintain consistency when it comes to providing orders. This is to avoid delays in the daily operations process.
d. The COVID-19 pandemic has affected the availability of products and raw materials.

The Company doesn't see any risks yet for now since all the local suppliers can meet the requirements completely.

Bria Homes

In the Supply Chain, risks can occur in supplying a product or service to a customer in terms of cost, timely delivery, and impact on the image. Some of the risks affecting the Company's supply chain are:

1) Raw material shortages
2) Financial Condition of Supplier
3) Supplier Consistency

Politics force "constant volatility" on supply chains.

Management Approach to Risks

Golden Haven

Golden Haven makes sure that the products and services provided are of high quality. Hence, sourcing and screening of the suppliers are always carefully reviewed by the Management. Suppliers’ legitimacy is assessed through interviews, review of Company profile or proposals, and visits to their shops or warehouses.

It has always been the Company's practice to have a stock of supplies enough for 1 to 2 months in preparation for any unexpected event that may cause a delay in its daily operations. Additionally, the Company does not discriminate in choosing its supplier. Golden Haven treats every supplier equally if they can provide the Company's demands and requirements.

The Company requires the following documents from the supplier for review of the management:
a. Proposal Letter
b. Company Profile
c. Quotation
d. Business Registration / Permits

The Company doesn't have any discrimination practice when it comes to choosing its supplier. Every supplier is treated equally in terms of whether they can provide the demands and requirements.

It is a need for every supplier to continuously improve their products and services during the contract period because through it, the Company will know whether or not to consider the supplier again for another term of contract. The suppliers should always be competitive in terms of providing a good quality of their products and services, prior and after sales.

Bria Homes

Trust is a byproduct of a commitment to quality and excellence. The Company ensures to deliver the right results to the right people over the long haul to make them believe and trust in the product and service offerings.

Bria's purchasing group, which is assigned to search, select, and accredit suppliers, is also responsible for the negotiation of lock-in prices for an agreed period and the management of materials inventory. Meanwhile, in response to the risk of labor shortage, the Company coordinates with the local communities in employing laborers from the surrounding areas where its project sites are located.

The Company uses a structured approach to supply-chain risk management by thinking of risks in terms of known and unknown risks. Known risks can be identified and are possible to measure and manage over time. Steps to manage known risks are:

1) Identify and document risks
2) Build a supply-chain risk management framework
3) Monitor risk
4) Institute governance and regular review

Unknown risks are those that are impossible or very difficult to foresee. Mitigating unknown risks is best achieved through creating strong defenses combined with building a risk-aware culture.

Opportunities

Golden Haven

Opportunity to promote the safe use of its products and services. Suppliers must continuously improve their products and services during the contract period since the decision to retain them depends on the said factors. The suppliers should always be competitive in terms of providing a good quality of their products and services, prior and after sales.

The Company is always transparent with its suppliers and open communication is maintained especially if there are any concerns or issues with the provided services or products.

Bria Homes

A good working relationship with suppliers is of the utmost importance to the Company. At the same time, the Company has high standards for quality, delivery reliability, process flows, and costs.

Suppliers must, first, offer innovative solutions to products and production, strong logistic capabilities, high-quality products and services, and competitive pricing practices. The Company requires suppliers to meet the standards according to the business practices.

Management Approach to Opportunities

Golden Haven

Each material and task have its own standard operating procedure that is required to be observed by any employee assigned to handle them. Golden Haven also makes sure that its products and services are made of high-quality materials, which is the primary reason why the sourcing and screening of suppliers are carefully reviewed by the management.

The Company always makes sure that all suppliers and their services should be in compliance with Company requirements. This involves consistent checking if the requests were acknowledged. This is to avoid any future problems that may occur and may affect the Company's stand in the industry.

The Company does not engage with non-compliant suppliers because it can cause problems in the supply chain process.

Bria Homes

Bria ensures that a healthy working relationship with suppliers is maintained through regular communication and fair compensation for the products and services provided.

Relationship with Community

Significant Impacts on Local Communities

GOLDEN HAVEN	
Operations with significant impacts on local communities	Mandatory waste segregation and donation of plastic wastes from facilities in Las Piñas City to the Villar SIPAG Foundation
Location	Las Piñas City
Vulnerable groups[28] (if applicable)	N/A
Does the particular operation have impacts on indigenous people?	No
Collective or individual rights that have been identified that or particular concern for the community	Right to a healthy environment
Mitigating measures or enhancement measures	Construction of materials recovery facilities (MRF) outside the memorial park to improve the segregation and collection of plastic wastes

BRIA HOMES	
Operations with significant impacts on local communities	Bria *Kakampi* Program
Location	Nationwide
Vulnerable groups (if applicable)	Young adults (18 years old and above)
Does the particular operation have impacts on indigenous people?	No

28 Vulnerable sectors include, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Collective or individual rights that have been identified that or particular concern for the community	Access to decent livelihood regardless of education attainment
Mitigating measures or enhancement measures	Provision of free digital selling platform

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certificate Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: **N/A**

Impacts

Golden Haven

The Company believes that its initiative to actively segregate its wastes, especially biodegradables and plastics, prevented a considerable amount of wastes from occupying space in landfills.

Bria Homes

A full-time marketing team leader ensures that the financial growth of his/her respective area is both inclusive and sustainable. This is done through the implementation of programs that are focused on the improvement of the communities' environmental and societal conditions.

Management Approach to Impacts

Golden Haven

Golden Haven partnered with Villar *SIPAG*, the social responsibility arm of the Villar Group of Companies, to reuse and recycle its plastic wastes. Its biodegradables, on the other hand, are turned into compost, which are then used to maintain its memorial parks.
The Company, in support of various advocacies, encourages its employees to participate in volunteer programs by providing them a paid time off for volunteering.

Golden Haven offers equal opportunities and programs for the environment. With this, the Company allots a portion of its sales revenue for the following environmental and social programs:

a. ***Kaibigang* Golden Haven Program**: it aims to help Filipinos nationwide regardless of their educational attainment to learn. Members are provided with frequent training, regarding various topics such as digital selling, investments, and financial literacy.
b. ***Punla ng Pangarap***: It aims to help children from indigenous regions in the country. Golden Haven wants to impart to the kids that it's essential to start young. To plant today and sow the success of tomorrow.
c. **Relief Donation Drive for Taal Eruption Victims**: Golden Haven coordinated efforts across all branches to move as one in providing urgent aid for affected communities in Batangas. Donations were sent off to the evacuation centers in Bauan and Padre Garcia, Batangas.
d. **Tree Planting**: Before the development starts within the Memorial Park, Golden Haven is dedicated to planting more trees that surround the area to improve the quality of the natural environment.
e. **GHGrows**: Golden Haven is dedicated to planting more trees that surround the area to improve the quality of the natural environment. Employees participate in the tree planting activities. Tree planting is one of the ways the Company shows care for the environment and actively engages both the employees and the community. This also shows their thrust to develop areas while at the same time care for the environment and live in harmony with nature. Moreover, it encourages the local community to replicate the efforts done by Golden Haven and to have the same care for the environment.

Bria Homes

The Company allots a portion of its sales revenue for the following environmental and social programs:

a. ***PlanTahanan Virtual Tree Planting***: tree planting activities and excursions into neighboring natural wonders. This program aims to encourage planting in Company's open spaces. It delivers positive health, social, economic and environmental outcomes for the Bria Homes Community.
b. ***Brigada Eskwela***: Back-to-school programs that consist of donations of school supplies and repairs of facilities if needed
c. **Bria *Kakampi* Program**: Helps people augment their incomes by being affiliated with the Company as part-time sellers and referrers. Targets are non-committal, but their hard work is incentivized
d. ***Kasalang Bayan***: Mass weddings for members of the local communities
e. ***Millennials Financial Guide Webinars***: The goal is to educate, demonstrate, instruct or deliver information that is of interest to Millennial market and potential clients.; INDIRECT: It helps increase the amount of content available to interested parties online.
f. ***OFW Investment Guide Webinars***: These webinar sessions are accessible to the global audience. With these webinars, Bria is no longer limited to only marketing to the clients within their geographical reach, but also across borders and oceans.

Bria also engages with the local communities per area at least once a month, establishing a holistic and consistent relationship with them.

Risks

Golden and Bria

There are no significant risks identified.

Management Approach to Risks

Golden and Bria

There are no significant risks identified.

Opportunities

Golden Haven

Opportunity to interact more with the Company's neighboring communities.

Bria Homes

Opportunity to help the Company's neighboring communities improve their quality of life.

Management Approach to Opportunities

Golden Haven

Golden Haven is planning to organize and implement several CSR programs for its neighboring communities with an aim to offer a better quality of life through the provision of equal opportunities for earning and environment-focused development projects.

Bria Homes

Bria provides the local communities with equal opportunities for earning and programs for the environment.

Customer Management

Customer Satisfaction

Disclosure	2021	2020	2019
Golden Haven			
Customer Satisfaction	4.5/5[29] 4.51/5[30] 4.89/5[31]	4.5/5	84% - Excellent 11% - Very Good
Conducted by a third party?	Yes*	Yes[32]	No
Bria Homes			
Customer Satisfaction	Not measured	Not measured	No data
Conducted by a third party?			N/A

Impacts

Golden Haven

The Company ensures that it is reachable in the easiest and most convenient ways possible anytime that its customers would like to share their feedback on its products and services.

Golden Haven has various feedback mechanisms in place that are readily available to customers. An example of this is the customer satisfaction survey in chapel services. There are also allotted customer feedback sections in the company website, social media platforms, and related digital portals.

Bria Homes

Bria has no active system in place to record and monitor the satisfaction score in 2021.
Concerns raised by customers are addressed through the Company's official Facebook account.

Management Approach to Impacts

Golden Haven

The Company ensures that it is accessible in the easiest and most convenient ways for feedback on its products and services. Below are Golden Haven's means of gathering feedback from its customers:

- Customer Satisfaction survey form
- Social media reviews
- Customer service email
- Website Survey Forms
- Customer Service Inquiry Forms

These are accessible to the Company's customers by making sure that they are available in multiple channels. Survey forms, for instance, are given during memorial services. Accordingly, Golden Haven

29 Rating based on chapel feedback forms
30 Rating based on Google Reviews
31 Rating based on Facebook Page reviews
32 The rating is based on the ratings from Google My Business.

ensures that it is always updated on the changes in its customers' needs and preferences so that the Group may serve them better.

While the Company adheres to the safety health protocols mandated by the government, they have also rolled out initiatives for customer engagement in response to COVID-19 such as the *Alagang* Golden Campaign wherein Company parks and offices are disinfected regularly. Reminders on maintaining social distancing and regular sanitation are also observed and related advisories are also placed in conspicuous areas. The Company offices have been fitted with acrylic shields so that the frontline team and clients can be provided with a physical barrier for added safety.

Bria Homes

Bria extended its lines for customer concerns. Customers may now reach Bria through the following channels:

- Via mobile from Monday to Saturday from 9 AM to 6 PM
- Via email at adminsupport@briahomes.com.ph

Risks

Golden Haven

The Company has received isolated cases in 2021 such as delays due to miscommunication on the scheduling. These were resolved immediately by the site concerned.

Golden Haven always welcomes any feedback to better serve the customers via continuous improvement as aligned with their mission to bring healing and hope to the living through natural beauty, peace and solitude as well as guaranteeing its perpetual care far into the future with reverence, dignity, and honor to the departed.

Bria Homes

There are no significant risks identified.

Management Approach to Risks

Golden Haven

Golden Haven resolved the issue by changing the time frame wherein it implements the internment process. It also increased its manpower to efficiently cover the said issue and any other complications that it may encounter in the future.

As the pandemic caused lockdowns and face-to-face communication was hampered, this made customer engagement a bit challenging from the way it used to. The Company had to adapt and strengthen existing digital platforms, online customer service, e-platforms, and the traditional over-the-phone help desk. They also had to observe a skeleton workforce just to ensure continuous manning in the office or resort to working from home set-ups to address business exigencies.

Bria Homes

There are no significant risks identified.

Opportunities

Golden Haven

Opportunity to improve on the Company's current customer engagement methods.

Bria Homes

Opportunity to engage more with the Company's customers, concurrently catering to a greater number of needs and concerns in a shorter amount of time.

Management Approach to Opportunities

Golden Haven

Golden Haven introduced a digital kiosk located at the front of its offices to provide timely and relevant information to visitors. The Company also added multiple payment channels including online payments through *PesoPay*. Online viewing of the wake process called "Wake Connect" had been made available as well for bereaved family members located far from its chapels.

The Company offers online facilities for a faster and more convenient experience for their customers, and at the same time, promotes safety in this time of the pandemic. These include e-services such as various online payment channels and platforms, online scheduling for interments, chapel services, online admin services for customer requests, online reservations, and even online accreditations. Customer service is also provided online through pages and websites.

Bria Homes

Bria has set up a Customer Care department that is dedicated solely to addressing its customers' needs with the help of a system designed to monitor their concerns and discussions.

Health and Safety

Disclosure	2021	2020	2019
Golden Haven			
No. of substantiated complaints[33] on product or service health and safety	0	0	2
No. of complaints addressed	0	0	2
Bria Homes			
No. of substantiated complaints on product or service health and safety	0	0	0
No. of complaints addressed	0	0	0

Impacts

Golden Haven

There were no concerns received on the health and safety of customers with Golden Haven products and services in the year 2021. The Company established a standard practice for any health and safety issues that may be encountered.

Bria Homes

[33] *Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

As there have been no complaints about the health and safety aspects of Bria's products and services, there are no significant impacts identified.

Risks

Golden and Bria

The COVID-19 pandemic has imposed health risks that alarmed businesses and stakeholders locally and internationally. For products involving chemicals, the Company follows regulation standards and has set internal SOP as well.

Management Approach to Risks

Golden and Bria

The Company ensures that continuous development practices such as installing the latest systems are applied. Preemptive measures are also in place to safeguard the safety of its customers.

To prevent health and safety-related issues and/or concerns, including COVID-19 response, the Company observed regular sanitation and disinfection drives for all its offices and sites. Skeleton set-up and/or work from home (WFH) set-up is observed depending on IATF/LGU alert level. PPEs were also used by concerned park personnel during services. Employees are also required to do daily health screening via mobile app or online and, if with possible symptoms, will be advised to do WFH and required to do *Telemed* or even testing.

Opportunities

Golden and Bria

As much as the Company wants to prevent any complications, especially regarding the health and safety of its employees and customers, there are instances when problems are unforeseen and inevitable.

Although regarded as a risk, the pandemic provides opportunities for businesses to implement measures that encourage contactless means.

The protocols of internment during COVID-19, especially when it would involve a confirmed case, are challenging to almost everyone. Therefore, to prevent issues, the Company made announcements in advance of the new protocols to manage the clients' expectations during the ceremony or visits.

Management Approach to Opportunities

Golden and Bria

Golden Haven has an established standard practice that the Company should promptly relay any health and safety issue to the department or function most suited to resolve it. This is done mainly through the collaboration of the Company's management, technical team, and whichever department is concerned.

Bria remains abreast of health and safety protocols and implements them to secure Filipinos who live in its communities.

Marketing and Labelling

Disclosure	2021	2020	2019

Golden Haven			
No. of substantiated complaints on marketing and labelling	0	Data not quantified	12
No. of complaints addressed	0		12
Bria Homes			
No. of substantiated complaints on marketing and labelling*	0	Data not quantified	0
No. of complaints addressed	0		0

Impacts and Risks

Marketing practices have been affected by the pandemic. Despite this, Golden Haven made sure that every concern and need of its customers were addressed and catered to promptly.

Bria Homes take pride in having no complaints from its customers regarding its marketing approaches. This reflects the success of the Company's marketing strategies and the reputability of its products and services.

Management Approach to Impacts and Risks

Golden Haven and Bria Homes used their online platforms to market their services and reach a wider audience.

Golden Haven takes a traditional and modern approach when addressing the local market. Key activities in marketing their products and services involve promotional activities through social media, increasing visibility of their site, continuous development of sales networks to carry the products and services, and continuous improvement of customer experience by maintaining their parks and continuous effort of upgrading their services.

In line with the ongoing pandemic, Golden Haven started most of its operations on a digital scale, such as 3D site tours, online reservations, and a 24/7 client helpdesk. In addition to this, the Company started using proprietary software called *WakeConnect*, wherein family members from all over the world can attend a virtual and live meaningful wake viewing ceremony.

Bria Homes, on the other hand, prioritizes catering to both the local and international markets executed through the effective implementation of the following marketing activities:

- Sales booths and product exhibits
- Grand Open House activities
- Distribution of marketing materials
- Telemarketing
- Sponsorship of conventions and other events
- Corporate presentations
- Digital marketing
- Alternative marketing channels

Since the beginning of the pandemic, Bria Homes has conducted its marketing activities digitally in compliance with the LGU Health Protocols. The Corporate Communications group of Bria is tasked to review and approve marketing materials. These are then produced and published by the local marketing teams with the help of accredited third-party suppliers.

Opportunities

Golden Haven

Opportunity to modernize the Company's marketing strategies by adding the utilization of online platforms to its approach.

Bria Homes

Opportunity to try different methods and further enhance the Company's present marketing strategies.

Management Approach to Opportunities

Golden Haven recognizes that the modern world is continuously changing and offering new and innovative ways to do business. Therefore, to keep pace with the times, the Company implemented key marketing activities that include lead generation in the form of presentations, saturation drives, and social media marketing as well as sales generation activities through park-based events, seasonal events, and corporate partnerships.

Bria holds monthly meetings with its sales and marketing teams for the improvement, if necessary, of its existing marketing strategies and materials.

Customer privacy

Disclosure	2021	2020	2019
Golden Haven			
No. of substantiated complaints on customer privacy	0	0	0
No. of complaints addressed	0	0	0
No. of customers, users, and account holders whose information is used for secondary purposes	0	0	0
Bria Homes			
No. of substantiated complaints on customer privacy	0	0	0
No. of complaints addressed	0	0	0
No. of customers, users, and account holders whose information is used for secondary purposes	0	0	0

Data Security

Disclosure	Golden Haven			Bria Homes		
	2021	2020	2019	2021	2020	2019
No. of data breaches, including leaks, thefts, and losses of data	0	0	0	0	0	0

Impacts

Golden Haven

There were no reported complaints regarding customer privacy in 2021. Moreover, Golden Haven did not encounter any problems with its data security.

Bria Homes

In compliance with the Data Privacy Act, Bria is fully committed to securing its customers' data, evident in the zero incidents of customer privacy breach in 2021. The Company assures all its stakeholders that their confidential data are secured.

Bria's zero encounters with data security issues in 2021 also testify to the integrity of the Company and how its dedication to protecting its stakeholders' information is being effectively implemented.

Management Approach to Impacts

Golden Haven

Golden Haven values customer data privacy and data sharing is being done only within what is consented by the clients. The Company uses the customers' personal information only for the purpose of disseminating information and updates regarding its products and services as well as to respond to inquiries. Study on behavioral advertising should there be any, Golden Haven assures that the details are anonymized to protect the client's data.

The Company ensures the end-to-end encryption of data from unauthorized access and data corruption. Website security certificates are updated through paid and top-class software. It also ensures that the systems are updated through regular updates and monitoring of the system's efficiency in securing sensitive data.

Sharpening the skills of the employees is the first approach through attending cybersecurity webinars held by different vendors as well as being aware of the news on the latest type of attacks and their character. Golden Haven, through the IT Administrators Group, keeps itself updated on social media and shares ideas about the latest type of risks and experiences.

Employees receive continuous and regular email broadcasts to create awareness and to be informed about cyber-attacks and how to protect themselves. They are to report to the IT Department any malicious email received that will be immediately blocked to prevent it from spreading. For workstations and Company assets, the antivirus programs and operating systems (OS) are updated to address the vulnerabilities. Moreover, Golden Haven does network hardening and group policies with protection that are against brute force and dictionary attacks.

Bria Homes

Bria has established controls to protect customer data that are continuously strengthened in response to its strong commitment to its right to data privacy. Bria actively employs physical and technical security measures and other procedures for the protection of the Company's confidential information against any illegal destruction, alteration, and disclosure. The Company also upholds confidentiality in all its proceedings, especially those involving any sensitive information.

In 2021, additional security controls were implemented. Data Privacy Act clauses and captcha as verification are inserted in online platforms. Transactions and exchanges of data and information are only limited between the buyer and authorized representatives only.

Risks

Behavioral advertising is one of the commonly used advertising techniques by various businesses today. This, however, presents a serious risk to customers as it collects information on a user's browsing behavior in order to be able to provide targeted ads. Moreover, platforms such as online reservations that are operated by third-party sellers and delivery couriers carry customers' personal data. Hence, customer information or profile data remains to be inherently at risk of any data security issues such as breaches, leaks, and losses of data.

The challenges that the Company encountered in the new set-up was mostly in the work-from-home setup where the user's ISP is not connected to the VPN due to the implementation of CGNat done by some providers. Another is the lack of visibility on user’s activity on their mobile devices in which, especially those in WFH setups, employees keep local copies on their own devices.

Management Approach to Risks

Golden Haven emphasizes the shared responsibility with different users in protecting personal data and information. The Company limits access to network, files, or documents only to specific people for the following purposes: (1) required by law or a court decision/process; (2) conduct billing processes and other business transactions; (3) updates and marketing purposes; and (4) research purposes. Any user needs to have VPN access before they can access the company’s network. In 2021, it invested in user awareness.

User awareness was done through email broadcasts on all Golden Haven employees that gave them information about the recent type of cyber attacks, how they infiltrate organizations and safety measures on how to recognize for example the emails if from legit sender or not especially when asking for personal information like password reset and update of personal information. The Company has given sample photos of spamming and phishing on emails and video clips to help them identify.

Prevention at the early stage is necessary which encourages employees to contact the IT department right away through emails to report if they encountered malicious emails or attacks for the IT department to block domains and email senders.

To test employees’ awareness, the IT department conducted the Attack simulation for a span of 1 week using Social Engineering - credential harvest. An email pretending to be an Office365 account expired where employees will be asked to enter their credentials. Any employee that will enter their credentials will be reported as compromised and no one from the employees clicked on the link and NONE of the accounts was compromised.

This is proof that the IT department's efforts in making employees aware about Cyber attack is a success.

Should the Company decide to consider using behavioral advertising, it assures that any study that may be conducted in the future for such advertisements of its products and services will be completely anonymized for the sake of its customers’ privacy.

On the other hand, Bria uses an intrusion detection system that monitors possible security breaches and alerts the organization of any attempt to interfere with or disturb the system. The Company also reviews and evaluates all software applications for their compatibility with the security features before being installed on company computers and devices.

The Research Department consistently monitors and analyzes web traffic data and ensures that cookies are not used in this service. No other third party can gain access to the generated information and only non personal data are analyzed by the said department.

In handling personal data and information, Bria has a policy that all client data can only be shared with financing institutions for their loan applications and with the clients’ authorized representatives.

Opportunities

Digitization of payments, processes, and other engagements requires stronger security controls. For this reason, Golden Haven and Bria Homes will continuously strengthen their data security, protection, and privacy systems in place through research and exploration.

Management Approach to Opportunities

Golden Haven and Bria Homes ensure that their security systems and infrastructures are always up-to-date with the latest versions available. This is done through regular updates and monitoring of the system's efficiency in securing sensitive data. Assessments and testing before launch will be continually practiced by the IT department to ensure security.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products & Services and Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution and Management Approach
GOLDEN HAVEN	
Memorial Parks 11 SUSTAINABLE CITIES AND COMMUNITIES	**Land conversion** Golden Haven strives to retain the natural topography of an area during the development of its memorial parks. For this reason, the Company reduces the number of trees cut down and highlights the beauty of their locations through the display of luscious softscape using plants that are native to the areas wherever possible.
Chapel 11 SUSTAINABLE CITIES AND COMMUNITIES	No significant potential impacts identified
Columbarium 11 SUSTAINABLE CITIES AND COMMUNITIES	No significant potential impacts identified
Donation of plastic wastes to Villar SIPAG for recycling and reuse 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	Employees and customers of the Company may not be too keen on discontinuing the use of plastic products thinking that their wastes will be donated and reused. The Company greatly discourages the utilization of single-use plastics and offers alternatives such as reusable containers.

Golden Haven CSR Program	
Tree planting for all employees inside memorial parks	13 CLIMATE ACTION 15 LIFE ON LAND
Kaibigang Golden Haven Program	4 QUALITY EDUCATION

Punla ng Pangarap	15 LIFE ON LAND
Relief Donation Drive for Taal Eruption Victims	2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING

Key Products & Services and Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution and Management Approach
BRIA HOMES	
Affordable housing 11 SUSTAINABLE CITIES AND COMMUNITIES	No significant potential impacts identified
Bria Kakampi Program 1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	Bria Kakampi Program aims to provide livelihood opportunities to economically disadvantaged people as sellers or referrers of Bria Homes, regardless of the risk of them having no higher educational attainment. Bria provides comprehensive training and skills development sessions upon employee onboarding.

Bria Homes CSR programs	
Plantahan	13 CLIMATE ACTION 15 LIFE ON LAND
Brigada Eskwela	4 QUALITY EDUCATION 11 SUSTAINABLE CITIES AND COMMUNITIES

Nutrition Month	3 GOOD HEALTH AND WELL-BEING
Livelihood Expos	8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Libreng Sakay	11 SUSTAINABLE CITIES AND COMMUNITIES
Kasalang Bayan	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PART VI – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17 – C

Exhibits

See accompanying Index to Financial Statements and Supplementary Schedules.

The following exhibit is incorporated by reference in this report:

Consolidated Financial Statements of the Company as of and for the year ended December 31, 2021.

The other exhibits, as indicated in the Index to Financial Statements and Supplementary Schedules are either not applicable to the Company or require no answer.

Reports on SEC Form 17-C

The following current reports have been reported by Golden MV Holdings, Inc. during the year 2021 through official disclosure letters dated:

January 27, 2021
Disclosure on Securities and Exchange Commission's approval on the request of Golden Bria Holdings Inc to amend the Corporate name to Golden MV Holdings Inc..

April 30, 2021
Approval and Issuance of the Company's Audited Financial Statements as of and for the year ended December 31, 2020.

May 12, 2021
Annual Report

May 17, 2021
1Q2021 Quarterly Report

May 31, 2021
Preliminary Information Statement for Annual meeting

June 23, 2021
Definitive Information Statement for Annual meeting

July 1, 2021
Integrated Annual Corporate Governance Report

July 15, 2021
Results of Annual Stockholders meeting

August 16, 2021
2Q2021 Quarterly Report

November 12, 2021
3Q2021 Quarterly Report

Reports on SEC Form 17-C, as amended (during the last 6 months)

None

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section of 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in MANDALUYONG CITY on MAY 1 3 2022.

By:

MARIBETH C. TOLENTINO
President

GEMMA M. SANTOS
Corporate Secretary

ESTRELLITA S. TAN
Chief Financial Officer

MILES M. TERETIT
Chief Accountant

SUBSCRIBED AND SWORN to before me this MAY 1 3 2022 at MANDALUYONG CITY, affiants exhibiting to me their respective passports, to wit:

Name	Passport No.	Date & Place of Issue
Maribeth C. Tolentino	P5606883B	07 Oct 2020 / DFA Manila
Gemma M. Santos	P4547774A	29 Sep 2017 / DFA NCR North
Estrellita S. Tan	P3856353A	29 Jul 2017 / DFA Manila
Miles M. Teretit	P3059562A	09 Sep 2017 / DFA Manila

ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2022
ROLL No. 53511
IBP Lifetime Number No. 016538
PTR No. 4871[illegible] / [illegible] Jan. 2022 / Mandaluyong City
MCLE Compliance [illegible] issued dated 23 May 2019
Notarial Commission Appointment No. 0314-21
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

Doc. No. 1
Page No. 2
Book No. VII
Series of 2022.

GOLDEN MV HOLDINGS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Golden MV Holdings, Inc.** (the Company), is responsible for the preparation and fair presentation of the financial statements, and the additional supplementary information, for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The Board of Directors reviews and approves the financial statements, and the additional supplementary information, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with the Philippine Standards on Auditing, and in their report to the Board of Directors and stockholders, has expressed their opinion on the fairness of presentation upon completion of such audit.

Manuel B. Villar, Jr.
Chairman of the Board

Maribeth C. Tolentino
President and Chief Operating Officer

Estrellita S. Tan
Chief Financial Officer

Signed this 13th day of May, 2022.

SUBSCRIBED AND SWORN to before me this MAY 13 2022 at MANDALUYONG CITY, affiants exhibiting to me their respective passports, to wit:

Name	Passport No.	Date & Place of Issue
Manuel B. Villar	P2529752B	12 Jul 2019 / DFA Manila
Maribeth C. Tolentino	P5606883B	07 Oct 2020 / DFA Manila
Estrellita S. Tan	P3856353A	29 Jul 2017 / DFA Manila

who satisfactorily proven to me their identities through their valid identification cards and that they are the same persons who personally signed before me the foregoing and acknowledges that they exceuted the same.

ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2022
ROLL No. 53511
[illegible] 015538
[illegible] Mandaluyong City
MCLE Compliance No. [illegible] dated 23 May 2019
Notarial Commission [illegible] No. 0314-21
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

Doc. No. 4
Page No. 2
Book No. VII
Series of 2022.

P&A
Grant Thornton

FOR SEC FILING

Consolidated Financial Statements and
Independent Auditors' Report

Golden MV Holdings, Inc. and Subsidiaries

December 31, 2021, 2020 and 2019

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

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

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

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

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

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Description of the Matter

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

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

How the Matter was Addressed in the Audit

i) Residential Houses and Lots and Condominium Units

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

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

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

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

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

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

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

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

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

ii) Memorial Lots

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

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

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

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

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

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

(b) Existence and Valuation of Real Estate Inventories

Description of the Matter

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

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

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

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

How the Matter was Addressed in the Audit

Our audit procedures included, among others:

<u>Existence</u>

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

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

<u>Valuation</u>

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

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

(c) Performing Significant Portion of Audit Remotely

Description of the Matter

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

How the Matter was Addressed in the Audit

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

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

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

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

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

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

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

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is James Joseph Benjamin J. Araullo.

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

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

May 13, 2022

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

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

See Notes to Consolidated Financial Statements.

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

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

See Notes to Consolidated Financial Statements.

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

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

See Notes to Consolidated Financial Statements.

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

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

Supplemental Information on Non-cash Investing and Financing Activities:

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

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

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

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

See Notes to Consolidated Financial Statements.

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

1. CORPORATE INFORMATION

1.1 Organization and Operations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.3 Approval of Consolidated Financial Statements

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

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

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

(b) SEC Financial Reporting Reliefs Availed by the Group

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

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

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

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

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

(c) Presentation of Consolidated Financial Statements

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

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

(d) Functional and Presentation Currency

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

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

2.2 Adoption of Amended PFRS

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

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

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

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

Discussed below are the relevant information about these pronouncements.

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

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

(b) *Effective Subsequent to 2021 but not Adopted Early*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.3 Basis of Consolidation

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

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

Subsidiaries are entities (including structured entities) over which the Parent Company has control. The Parent Company controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are from the date the Parent Company obtains control.

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

2.4 Business Combinations

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

(a) Acquisition Method

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

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

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

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

(b) Pooling of Interest Method

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

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

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

2.5 Segment Reporting

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

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

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

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

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

2.6 Financial Instruments

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

(a) Financial Assets

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

(i) Classification and Measurement of Financial Assets

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

Financial Assets at Amortized Cost

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

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

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

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

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

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

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

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

(ii) Impairment of Financial Assets

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

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

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

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

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

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

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

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

(iii) Derecognition of Financial Assets

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

(b) Financial Liabilities

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

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

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

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

(c) Offsetting Financial Instruments

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

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

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

2.7 Inventories

a) Real Estate Inventories

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

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

b) Construction Materials

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

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

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

2.8 Other Current Assets and Advances to Contractors

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

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

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

2.9 Property and Equipment

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

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

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

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

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

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

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

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

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

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

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

2.10 Investment Properties

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

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

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

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

2.11 Provisions and Contingencies

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

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

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

2.12 Revenue and Expense Recognition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.13 Leases – Group as Lessee

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

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

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

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

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

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

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

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

2.14 Impairment of Non-financial Assets

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

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

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

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

2.15 Employee Benefits

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

(a) Post-employment Defined Benefit Plan

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

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

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

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

(b) Post-employment Defined Contribution Plan

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

(c) Short-term Benefits

The Group recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

(d) Termination Benefits

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

(e) Compensated Absences

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

2.16 Borrowing Costs

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

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

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

2.17 Income Taxes

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

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

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

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

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

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

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

2.18 Equity

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

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

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

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

2.19 Related Party Transactions and Relationships

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

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

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

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

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

2.20 Earnings Per Share

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

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

2.21 Events After the End of the Reporting Period

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Critical Management Judgments in Applying Accounting Policies

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

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

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

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

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

(i) Real Estate Sales

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

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

The Group's performance obligation are satisfied as follows:

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

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

(ii) Interment and Cremation Services

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

(c) Determination of Collection Threshold for Revenue Recognition

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

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

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

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

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

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

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

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

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

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

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

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

(g) Recognition of Provisions and Contingencies

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

3.2 Key Sources of Estimation Uncertainty

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

(a) Revenue Recognition for Performance Obligations Satisfied Over Time

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

(b) Estimation of Allowance for ECL

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

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

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

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

The Group estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

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

(e) Fair Value Measurement of Investment Property

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

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

(f) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets (offset against deferred tax liabilities) recognized as at December 31, 2021 and 2020 will be fully utilized in the coming years (see Note 19).

(g) Impairment of Non-financial Assets

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

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

(h) Valuation of Post-employment DBO

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

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

4. SEGMENT REPORTING

4.1 Business Segments

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

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

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

4.2 Analysis of Segment Information

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

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

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

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

4.3 Reconciliation

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

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

4.4 Disaggregation of Revenue from Contract with Customers and Other Counterparties

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

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31 follows:

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

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

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

6. CONTRACTS AND OTHER RECEIVABLES

6.1 Contracts Receivables

This account is composed of the following:

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

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

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

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

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

6.2 Other Receivables

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

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

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

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

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

7. REAL ESTATE INVENTORIES

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

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

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

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

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

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

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

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

8. OTHER ASSETS

This account consists of the following as of December 31:

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

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

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

9. PROPERTY AND EQUIPMENT

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

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

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

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

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

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

10. LEASES

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

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

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

10.1 Right-of-use Assets

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

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

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

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

10.2 Lease Liabilities

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

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

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. The future cash outflows to which the Group is potentially exposed to are not reflected in the measurement of lease liabilities represent the amount of monthly rent remaining for the lease term and security deposit to be forfeited. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost. In 2021, the Group has terminated a certain lease (see Note 10.1). There was no similar transaction in 2020.

As at December 31, 2021 and 2020, the Group has no lease committment, which had not yet commenced.

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities at December 31 are as follows:

	Within 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Total**
December 31, 2021						
Lease payments	P 12,031,482	P 9,177,701	P 7,978,605	P 7,037,082	P 4,647,349	P 40,872,219
Finance charges	(2,302,173)	(1,660,088)	(1,100,339)	(602,516)	(127,199)	(5,792,315)
Net present values	P 9,279,309	P 7,517,613	P 6,878,266	P 6,434,566	P 4,520,150	P 35,079,904
December 31, 2020						
Lease payments	P 9,684,353	P 6,346,474	P 4,786,158	P -	P -	P 20,816,985
Finance charges	(1,224,117)	(598,420)	(333,915)	-	-	(2,156,452)
Net present values	P 8,460,236	P 5,748,054	P 4,452,243	P -	P -	P 18,660,533

10.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to short-term leases amounted to P15.6 million, P15.7 million and P11.2 million in 2021, 2020 and 2019, respectively, are presented as Rentals under Other Operating Expenses in the consolidated statements of comprehensive income (see Note 17.2). There are no existing lease commitments for short-term leases.

10.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of long-term leases amounted to P12.3 million, P13.2 million and P12.1 million, in 2021, 2020 and 2019, respectively. The total cash outflow in respect of short-term leases amounted to P15.6 million, P15.7 million and P11.2 million in 2021, 2020 and 2019, respectively. Interest expense in relation to lease liabilities amounted to P2.2 million, P1.7 million and P1.8 million in 2021, 2020 and 2019, respectively. This is presented as part of Finance Costs under Other Income (Charges) in the consolidated statements of comprehensive income.

10.5 Security Deposits

Refundable security deposits represent the lease deposits made to third parties for the lease of the Group's office spaces.

Related rental deposits for these leases amounted to P9.5 million and P9.4 million as of December 31, 2021 and 2020, respectively, and are presented as part of Security deposits under Other Assets in the consolidated statements of financial position (see Note 8).

11. INVESTMENT PROPERTIES

The changes in the carrying amounts of investment properties as presented in the consolidated statements of financial position are as follows:

	Note	**2021**	2020	2019
Balance at beginning of year		**P 75,761,379**	P100,607,675	P587,411,574
Additions during the year		**-**	-	229,191,508
Transfer from real estate inventories	7	**-**	-	67,917,593
Transfer to real estate inventories	7	**-**	(24,846,296)	(783,913,000)
Balance at end of year		**P 75,761,379**	P 75,761,379	P100,607,675

The Group's investment properties consist of parcels of land which is intended for capital appreciation. Certain Investment Properties totaling P24.8 million in 2020 and P783.9 million in 2019 were reclassified to Raw land and Memorial lots for sale under Real Estate Inventories. There was no similar transaction in 2021. In 2019 (nil in 2021 and 2020), certain Real Estate Inventories amounting to P67.9 million were reclassified to Investment Properties (see Note 7).

None of the Group's investment properties have generated rental income. There were also no significant directly attributable cost, purchase commitments and any restrictions as to use related to these investment properties during the reporting periods.

Management has assessed that there were no significant circumstances during the reporting periods that may indicate impairment loss on the Group's investment properties.

The fair value and other information about the measurement and disclosures related to the investment properties are presented in Note 27.3.

12. INTEREST-BEARING LOANS

Short-term and long-term interest-bearing loans pertain to bank loans which are broken down as follows:

	2021	2020
Current	**P2,966,634,143**	P2,113,625,216
Non-current	**3,858,680,740**	5,092,523,778
	P6,825,314,883	P7,206,148,994

The bank loans represent secured and unsecured loans from local commercial banks. The loans which have maturities ranging from 1 to 15 years bear annual interest rates ranging from 5.0% to 5.5% both in 2021 and 2020. The related loan agreements do not contain loan covenant provisions.

In 2021 and 2020, the Group obtained interest-bearing loans amounting to P4,084.6 million and P3,640.1 million, respectively, from local commercial banks for working capital requirements.

Interest expense incurred on these loans amounted to P274.2 million, P275.6 million and P240.5 million for the years ended December 31, 2021, 2020 and 2019, respectively. These are presented as part of Finance costs in the consolidated statements of comprehensive income.

There are no outstanding interest payable as of December 31, 2021 and 2020 related to these loans.

The loans are net of debt issue cost amounting to P49.5 million, P28.7 million and P28.7 million as of December 31, 2021, 2020 and 2019, respectively. The amortization of debt issue cost amounting to P20.6 million, P9.9 million and P6.3 million in 2021, 2020 and 2019, respectively, is presented as part of Finance Costs under Other Income (Charges) section in the consolidated statements of comprehensive income.

Certain loans of the Group are secured by contract receivables with a carrying amount of P3,540.0 million and P3,691.4 million as of December 31, 2021 and 2020 (see Note 6.1 and 26.2).

13. TRADE AND OTHER PAYABLES AND RAWLAND PAYABLE

13.1 Trade and Other Payables

This account consists of:

	Note	2021	2020
Trade payables	6	**P 1,183,681,645**	P 1,188,092,237
Accrued expenses		**573,152,542**	520,950,353
Deferred output VAT		**251,648,257**	296,084,381
Retention payable		**87,740,390**	80,861,253
Commission payable		**35,004,286**	69,082,135
VAT payable		**6,816,945**	6,422,925
Withholding taxes payable		**1,177,982**	2,444,373
Other payables		**7,408,871**	7,067,520
		P 2,146,630,918	P 2,171,005,177

Trade payables comprise mainly of liabilities to suppliers and contractors arising from the construction and development of the Group's real estate properties. It also includes liability on assigned receivables which pertains to the outstanding balance of the cash consideration with respect to the receivables assigned by HDC to BHI (see Note 6.1).

Accrued expenses pertain to accruals of professional fees, salaries and other employee benefits, utilities, advertising, marketing and other administrative expenses.

Deferred output VAT is the portion of VAT attributable to outstanding contract receivables. This is reversed upon payment of monthly amortization from customers.

Retention payable pertains to the amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are remitted to the contractors.

Commission payable refers to the liabilities of the Group as of the end of the reporting periods to its sales agents for every sale that already reached the revenue recognition threshold of the Group.

13.2 Rawland Payable

Rawland payable pertains to the amount of outstanding liability regarding the acquisitions of raw land from third parties, which will be used in the development of the Group's subdivision projects.

In 2021 and 2020, the Group purchased various rawlands for expansion and development of the Group's subdivision and memorial lots projects. The outstanding balance arising from these transactions amounted to P838.1 million and P1,316.5 million as of December 31, 2021 and 2020, respectively.

14. CUSTOMERS' DEPOSITS

Customers' deposits pertain to reservation fees and advance payments from buyers, which did not meet the revenue recognition criteria as of the end of the reporting periods. As of December 31, 2021 and 2020, Customers' Deposits account, as presented in the current liabilities section of the consolidated statements of financial position, amounted to P2.7 billion and P3.0 billion, respectively (see Note 2.12).

15. RESERVE FOR PERPETUAL CARE

Under the terms of the contract between the Group and the purchasers of memorial lots, a portion of the amount paid by the purchasers is set aside as Perpetual Care Fund (Trust Fund). The balance of the reserve for perpetual care for memorial lots as of December 31, 2021 and 2020 amounting to P872.4 million and P827.8 million, respectively, represents the total amount of perpetual care from all outstanding sales contracts, net of amount already remitted for fully collected memorial lots into the Trust Fund amounting to P133.4 million and P129.3 million as of December 31, 2021 and 2020, respectively.

As an industry practice, the amount turned over to the Trust Fund is only for fully collected contracts in as much as the outstanding contracts may still be forfeited and/or rescinded. The income earned from the Trust Fund will be used in the perpetual care and maintenance of the memorial lots. Once placed in the Trust Fund, the assets, liabilities, income and expense of the Trust Fund are considered distinct and separate from the assets and liabilities of the Group, thus, do not form part of the accounts of the Group.

The details of the Trust Fund as of December 31, 2021 and 2020 are shown below.

	2021	2020
Assets:		
Cash	**P 855**	P 853
Investment in unit investment trust funds	**4,872,947**	326,560
Investment in other securities and debt instruments	**2,737,849**	3,757,932
Loans and receivables	**23,392**	31,187
Investment in mutual funds	**125,796,531**	125,316,392
Liability –		
Accrued trust fees and other expenses	**(4,678)**	(156,237)
	P 133,426,896	P 129,276,687

16. REVENUES

16.1 Disaggregation of Revenues

The Group derives revenues from sale of real properties and deathcare operations. An analysis of the Group's major sources of revenues in 2021, 2020 and 2019 is presented in the succeeding pages.

	Segments		
	Residential	Deathcare	Total
Geographical areas			
2021			
Luzon	P3,102,945,163	P 446,885,043	P3,549,830,206
Mindanao	942,510,158	179,649,447	1,122,159,605
Visayas	236,965,564	260,389,761	497,355,325
	P4,282,420,885	**P 886,924,251**	**P5,169,345,136**
2020			
Luzon	P3,173,696,316	P 530,201,397	P3,703,897,713
Mindanao	947,033,758	239,584,481	1,186,618,239
Visayas	154,749,527	175,412,204	330,161,731
	P4,275,479,601	P 945,198,082	P5,220,677,683
2019			
Luzon	P4,901,951,215	P 662,926,860	P5,564,878,075
Mindanao	1,923,601,880	465,017,692	2,388,619,572
Visayas	339,221,983	351,975,632	691,197,615
	P7,164,775,078	P1,479,920,184	P8,644,695,262
Type of product or services			
2021			
Low-cost housing	P4,101,983,853	P -	P4,101,983,853
Memorial lots	-	716,196,933	716,196,933
Residential condominium	58,604,810	-	58,604,810
Interest income on contract receivables	121,832,222	61,044,840	182,877,062
Interment	-	75,446,574	75,446,574
Chapel services	-	34,235,904	34,235,904
	P4,282,420,885	**P 886,924,251**	**P5,169,345,136**
2020			
Low-cost housing	P4,103,535,301	P -	P4,103,535,301
Memorial lots	-	821,166,080	821,166,080
Residential condominium	99,079,510	-	99,079,510
Interest income on contract receivables	72,864,790	52,838,022	125,702,812
Interment	-	47,010,066	47,010,066
Chapel services	-	24,183,914	24,183,914
	P4,275,479,601	P 945,198,082	P5,220,677,683

	Segments		
	Residential	Deathcare	Total
Type of product or services			
2019			
Low-cost housing	P6,960,181,384	P -	P6,960,181,384
Memorial lots	-	1,338,035,068	1,338,035,068
Residential condominium	155,245,218	-	155,245,218
Interest income on contract receivables	49,348,476	61,098,493	110,446,969
Interment	-	38,897,054	38,897,054
Chapel services	-	41,889,569	41,889,569
	P7,164,775,078	P1,479,920,184	P8,644,695,262

These are presented in the consolidated statements of comprehensive income under Revenues as follows:

	2021	2020	2019
Real estate sales:			
Low-cost housing	**P4,101,983,853**	P4,103,535,301	P6,960,181,384
Memorial lots	**716,196,933**	821,166,080	1,338,035,068
Residential condominium	**58,604,810**	99,079,510	155,245,218
	4,876,785,596	5,023,780,891	8,453,461,670
Interest income on contract receivables	**182,877,062**	125,702,812	110,446,969
Interment income	**75,446,574**	47,010,066	38,897,054
Income from chapel services	**34,235,904**	24,183,914	41,889,569
	P5,169,345,136	P5,220,677,683	P8,644,695,262

16.2 Contract Accounts

A reconciliation of the movements of contract assets is shown below.

	2021	2020
Balance at beginning of year	**P2,258,812,742**	P1,422,315,531
Transfers from contract assets recognized at the beginning of year to contract receivables	**(2,225,863,291)**	(1,400,036,773)
Additions during the year	**4,331,526,156**	2,236,533,984
Balance at end of year	**P4,364,475,607**	P2,258,812,742

The Group recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period.

Changes in the contract assets are recognized by the Group when a right to receive payment is already established and upon performance of unsatisfied performance obligation.

16.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Prepaid commission under Other Current Assets in the consolidated statements of financial position (see Note 8). These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization for 2021, 2020 and 2019 is presented as part of Commission under Operating Expenses (see Note 17.2).

The movement in balances of deferred commission in 2021 and 2020 is presented below.

	2021	2020
Balance at beginning of year	**P 216,723,048**	P 279,145,834
Additional capitalized cost	**130,254,680**	121,229,572
Reversal due to back out	**(26,374,140)**	(23,006,141)
Amortization for the year	**(110,212,773)**	(160,646,217)
Balance at end of year	**P 210,390,815**	P 216,723,048

16.4 Transaction Price Allocated to Unsatisfied Performance Obligation

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts amounted to P3.8 billion and P3.7 billion as of December 31, 2021 and 2020, respectively, which the Group expects to recognize as follows:

	2021	2020
Within a year	**P 523,183,264**	P 487,133,532
More than one year to three years	**3,257,028,005**	3,199,333,992
Balance at end of year	**P 3,780,211,269**	P 3,686,467,524

17. COSTS AND EXPENSES

17.1 Costs of Sales and Services

Presented below are the details of costs of sale and services.

	2021	2020	2019
Cost of real estate sales	**P2,360,950,485**	P2,575,881,197	P4,339,104,493
Cost of interment	**24,803,872**	16,495,669	16,914,466
Cost of chapel services	**14,125,454**	11,535,529	15,532,654
	P2,399,879,811	P2,603,912,395	P4,371,551,613

Cost of real estate sales is comprised of:

	2021	2020	2019
Cost of land	**P1,357,773,841**	P1,289,233,330	P2,347,226,616
Construction and development costs	**1,003,176,644**	1,286,647,867	1,991,877,877
	P2,360,950,485	P2,575,881,197	P4,339,104,493

17.2 Operating Expenses by Nature

The details of operating expenses by nature for the year ended December 31 are shown as follows:

	Notes	**2021**	2020	2019
Cost of land	17.1	**P1,357,773,841**	P1,289,233,330	P2,347,226,616
Construction and development costs	17.1	**1,003,176,644**	1,286,647,867	1,991,877,877
Salaries and employee benefits	21.1	**357,049,627**	327,486,834	285,823,245
Commission	16.3	**201,243,455**	249,478,378	423,476,891
Advertising		**124,728,413**	95,011,754	141,635,420
Outside services		**102,257,662**	91,833,226	115,616,053
Depreciation and amortization	9, 10	**97,039,190**	116,219,155	117,441,368
Repairs and maintenance		**44,244,716**	45,379,973	23,790,988
Utilities		**34,117,571**	29,745,307	28,069,618
Management fees		**28,731,259**	23,304,629	23,787,026
Prompt payment discount		**24,928,230**	17,089,725	19,915,150
Cost of interment	17.1	**24,803,872**	16,495,669	16,914,466
Transportation and travel		**23,671,505**	18,877,427	34,809,833
Office supplies		**18,036,294**	13,082,037	16,616,562
Rentals	10.3	**15,583,623**	15,711,820	11,186,793
Promotions		**14,436,773**	14,949,027	77,147,032
Cost of chapel services	17.1	**14,125,454**	11,535,529	15,532,654
Representation		**13,442,752**	11,170,047	13,831,315
Professional fees		**11,345,253**	11,574,857	9,549,284
Taxes and licenses		**10,147,806**	22,374,971	29,918,103
Insurance		**7,970,797**	7,899,365	11,187,652
Collection fees		**6,838,814**	6,203,980	12,012,592
Meetings and conferences		**3,042,851**	2,686,445	10,474,908
Trainings and seminars		**733,620**	2,638,133	10,724,281
Miscellaneous		**16,057,359**	23,448,484	19,454,987
		P3,555,527,381	P3,750,077,969	P5,808,020,714

Miscellaneous mainly consist of subscription dues and other fees such as registration, transfer and mortgage fees.

These expenses are classified in the consolidated statements of comprehensive income as follows:

	2021	2020	2019
Costs of sales and services	**P 2,399,879,811**	P 2,603,912,395	P 4,371,551,613
Other operating expenses	**1,155,647,570**	1,146,165,574	1,436,469,101
	P 3,555,527,381	P 3,750,077,969	P 5,808,020,714

18. OTHER INCOME

This account consists of:

	Note	**2021**	2020	2019
Forfeited sales		**P 111,529,075**	P 131,691,365	P 217,658,225
Interest on past due accounts		**8,079,169**	5,646,599	6,566,346
Transfer fees		**2,327,131**	3,519,041	5,670,956
Service tent rentals		**484,373**	1,752,550	1,108,441
Others	10.1	**8,826,334**	7,394,484	2,094,125
		P 131,246,082	P 150,004,039	P 233,098,093

Others include gain on lease cancellation, penalties from customers with lapsed payments, restructured accounts, and other fees collected for transactions incidental to the Group's operations such as payment for memorial garden construction fee, among others (see Note 10.1).

19. TAXES

19.1 Registration with the Board of Investments (BOI)

The BOI approved the Company's application for registration as an Expanding Developer of Economic and Low-Cost Housing Project on a Non-pioneer Status relative to its various units under its Bria Alaminos, Bria Alaminos-Pangasinan, Bria Calamba Executive and Bria General Santos in 2021, Bria Calamba Phase 2, Bria Calamba Phase 4, Bria Calmaba Phase 3, Bria Magalang, Bria Manolo Fortich, Bria Kidapawan, Bria Urdaneta, Bria Norzagaray, Bria Norzagaray Phase 2, Bria Hermosa, Bria Homes, Paniqui, Bria General Trias, Bria Trece Martires, Bria Sta. Cruz, Lumina Tanza Phase 4, Lumina Camarines Sur, Lumina Camarines Sur Classic, Lumina Dumaguete, Lumina Dumaguete 2, and Bria Flats Azure in 2020; Lumina Quezon Phase 2, Bria La Hacienda, Bria San Pablo, Lumina Gensan, Bria Flats Mykonos, Bria Flats Levitha, Bria Flats Corfu, Bria Flats Rhodes, Bria Flats Capri, Bria Sta. Maria, Bria Homes Digos, Bria Homes Tagum, Bria Flats Crimson, Bria Flats Scarlet, Bria Flats Magenta, and Lumina Classic 2B in 2019; Bria Calamba Phases 1 and 2 project in December 2018; under the Northridge Central Lane, Northridge Grove Phase 2, Northridge View, Bria Home Binangonan and Bria General Santos projects in December 2017; and, under the Lumina Tanza Phase 2, Lumina Homes San Pablo and Lumina General Trias (Phases 1 and 2) projects in December 2016.

Under the registration, the applicable rights and privileges provided in the Omnibus Investment Code of 1987 shall equally apply and benefit the BHI with certain incentives including income tax holiday (ITH) for a period of four years from the date of registration.

19.2 Current and Deferred Taxes

On March 26, 2021, RA No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Group.

a. regular corporate income tax (RCIT) rate is decreased from 30% to 25% for HVN and BHI and 20% for GHMPI starting July 1, 2020;
b. minimum corporate income tax (MCIT) rate is decreased from 2% to 1% starting July 1, 2020 until June 30, 2023;
c. the imposition of 10% tax on improperly accumulated retained earnings is repealed; and,
d. the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

As a result of the application of the lower RCIT rate of 25% and 20% starting July 1, 2020, the current income tax expense and income tax payable, as presented in the 2020 annual income tax returns of the Group, were lower by P8.9 million than the amount presented in the 2020 consolidated financial statements which were charged to 2021 profit or loss.

In addition, the recognized net deferred tax assets as of December 31, 2020 were remeasured to 25% in the current period. This resulted in a decline in the recognized net deferred tax liabilities in 2020 by P195.1 million and was charged to 2021 profit or loss (P193.6 million income) and in other comprehensive income (P1.5 million loss).

The components of tax expense reported in consolidated profit or loss and in consolidated other comprehensive income for the years ended December 31 follow:

	2021	2020	2019
Reported in consolidated profit or loss:			
Current tax expense:			
RCIT at 25% and 20% in 2021 and 30% in 2020 and 2019	**P 134,766,701**	P 103,414,406	P 110,650,684
Application of excess MCIT	**-**	-	(4,885,341)
	134,766,701	103,414,406	105,765,343
Adjustment in 2020 income tax due to change in income tax rate	**(8,933,963)**	-	-
Final tax at 20% and 7.5%	**755,909**	3,536,746	464,697
	126,588,647	106,951,152	106,230,040
Deferred tax expense (income) arising from:			
Origination and reversal of temporary differences	**(23,329,523)**	20,218,932	146,099,561
Effect of the change in income tax rate	**(193,602,210)**	-	-
	(216,913,733)	20,218,932	146,099,561
	(P 90,343,086)	P 127,170,084	P 252,329,601
Reported in consolidated other comprehensive income (loss)			
Deferred tax income (expense) arising from:			
Origination and reversal of temporary differences	**(P 2,449,996)**	P 1,922,401	P 9,513,107
Effect of the change in income tax rate	**(1,490,524)**	-	-
	(P 3,940,520)	P 1,922,401	P 9,513,107

The reconciliation of tax on pretax profit computed at the applicable statutory rate to tax expense is as follows:

	2021	2020	2019
Tax on pretax profit at 25% and 20% in 2021 and 30% in 2020 and 2019	**P 361,943,471**	P 404,106,900	P 845,982,452
Adjustment for income subjected to lower tax rates	**(188,246)**	(1,768,370)	(232,348)
Effect of the change in income tax rate	**(202,536,173)**	-	-
Tax effects of:			
Non-taxable income	**(434,307,673)**	(518,691,695)	(757,055,730)
Non-deductible expenses	**184,703,333**	243,523,249	163,635,227
Unrecognized net operating carry-over (NOLCO)	**42,202**	-	-
	(P 90,343,086)	P 127,170,084	P 252,329,601

The net deferred tax liabilities recognized in the consolidated statements of financial position as of December 31, 2021 and 2020 relate to the following:

	2021	2020
Unrealized gross profit	**P 966,894,057**	P1,183,460,864
Retirement benefit obligation	**(25,755,711)**	(29,473,282)
Leases	**(1,407,052)**	(1,203,694)
Unamortized past service cost	**(52,379)**	(113,760)
	P 939,678,915	P1,152,670,128

The deferred tax expense (income) recognized in the consolidated statements of comprehensive income for December 31 relate to the following:

	Consolidated Profit or Loss			**Consolidated Other Comprehensive Income**		
	2021	2020	2019	**2021**	2020	2019
Unrealized gross profit	**P 216,566,807**	(P 25,058,135)	(P 143,984,881)	**P -**	P -	P -
Retirement benefit obligation	**222,949**	4,071,562	2,436,418	**(3,940,520)**	1,922,401	9,513,107
Leases	**203,358**	818,546	385,148	**-**	-	-
Unamortized past service cost	**(61,381)**	(50,905)	(50,905)	**-**	-	-
MCIT	**-**	-	(4,885,341)	**-**	-	-
NOLCO	**-**	-	-	**-**	-	-
Deferred Tax Income (Expense)	**P 216,931,733**	(P 20,218,932)	(P 146,099,561)	**(P 3,940,520)**	P 1,922,401	P 9,513,107

In 2021, 2020 and 2019, the Parent Company and BHI is subject to MCIT, which is computed at 1%, 2% and 2%, respectively, of gross income as defined under the tax regulations, or RCIT, whichever is higher. Meanwhile, GHMPI, as a newly incorporated entity in 2020, is not yet subject to MCIT until 2024. The Parent Company and BHI reported RCIT in 2021, 2020 and 2019 as the RCIT is higher than MCIT in such years while GHMPI did not report RCIT in 2021 and 2020 since GHMPI has no taxable income in both years.

NOLCO incurred in 2021 and 2020 by GHMPI, amounting to P155,011 and 787,790 can be claimed as a deduction from the future taxable income within five years or until 2025 and 2026, respectively, in accordance with RA No. 11494, *Bayanihan to Recover as One Act*. GHMPI did not recognize the deferred tax assets arising from NOLCO since the management assessed that the related benefits may not be realized within the prescribed period.

In 2021, 2020 and 2019, the Group claimed itemized deductions in computing for its income tax due.

20. RELATED PARTY TRANSACTIONS

The significant transactions of the Group in the normal course of business with its related parties are described as follows:

Related Party Category	Notes	**Amount of Transactions**			**Outstanding Balances**	
		2021	2020	2019	**2021**	2020
FPI –						
Advances collected	20.1	**(P 1,035,144)**	(P 3,695,373)	(P 291,873)	**P 1,251,422**	P 2,286,566
Related Parties Under Common Ownership:						
Advances granted (collected)	20.1	**3,889,871**	6,098,101	-	**11,987,972**	8,098,101
Advances obtained (paid)	20.2	**542,489**	(70,027)	-	**(952,080,398)**	(952,622,887)
Payable to HDC	6, 13	**62,128,504**	89,166,605	-	**-**	(62,128,504)

Related Party Category	Notes	Amount of Transactions 2021	2020	2019	Outstanding Balances 2021	2020
Key Management Personnel – Compensation	20.3	**P 35,044,713**	P 34,206,072	P 39,595,553	**P -**	P -

20.1 Due from Related Parties

In the normal course of business, the Group grants noninterest-bearing cash advances to its parent company and other related parties, including those under common ownership, for working capital requirements, capital asset acquisition and other purposes. These advances are unsecured and generally payable in cash on demand or through offsetting arrangements with related parties.

The outstanding advances arising from these transactions amounting to P13.2 million and P10.4 million as at December 31, 2021 and 2020, is presented as Due from Related Parties account in the consolidated statements of financial position.

The movements in due from parent company are shown below.

	2021	2020
Balance at beginning of year	**P 2,286,566**	P 5,981,939
Repayments	**(1,035,144)**	(3,695,373)
Balance at end of year	**P 1,251,422**	P 2,286,566

The movements in due from related parties under common ownership are shown below.

	2021	2020
Balance at beginning of year	**P 8,098,101**	P 2,000,000
Additions	**3,889,871**	6,098,101
Balance at end of year	**P 11,987,972**	P 8,098,101

Based on management's assessment, no impairment losses need to be recognized in 2021, 2020 and 2019 from its receivables from related parties.

20.2 Due to Related Parties

The Group obtained short-term, unsecured, noninterest-bearing advances from related parties under common control for working capital requirements payable in cash upon demand. The outstanding balance is presented as Due to Related Parties account as at December 31, 2021 and 2020.

The movements in the Due to Related Parties account are shown in the succeeding page.

	2021	2020
Balance at beginning of year	**P 952,622,887**	P 952,552,860
Repayments	**(542,489)**	-
Additions	**-**	70,027
Balance at end of year	**P 952,080,398**	P 952,622,887

20.3 Key Management Personnel Compensation

The compensation of key management personnel for the years ended December 31 follows:

	2021	2020	2019
Short term benefits	**P 31,311,556**	P 30,547,411	P 35,901,795
Post-employment benefits	**3,733,157**	3,658,661	3,693,758
	P 35,044,713	P 34,206,072	P 39,595,553

20.4 Retirement Fund

The Group does not have a formal retirement plan established separately from the parent company and its subsidiaries.

The Group's transactions with the fund mainly pertain to contribution, benefit payments and interest income.

The retirement fund neither provides any guarantee or surety for any obligation of the Group nor its investments covered by any restrictions or liens.

The details of the contributions of the Group into the plan are presented in Note 21.2.

21. EMPLOYEE BENEFITS

21.1 Salaries and Employee Benefits

Details of salaries and employee benefits are presented below.

	Notes	**2021**	2020	2019
Short-term employee benefits		**P 346,401,665**	P 317,909,871	P 280,574,077
Post-employment defined benefit	21.2	**10,647,962**	9,576,963	5,249,168
	17.2	**P 357,049,627**	P 327,486,834	P 285,823,245

21.2 *Post-employment Defined Benefit Plan*

(a) Characteristics of the Post-Employment Defined Benefit Plan

The Group maintains a funded, non-contributory post-employment benefit plan. The post-employment plan covers all regular full-time employees.

The Group's post-employment defined benefit plan is based solely on the requirement of RA No. 7641, *The Retirement Pay Law*. The optional retirement age is 60 with a minimum of five years of credited service. Normal retirement benefit is based on the employee's final salary and years of credited service.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2021 and 2020.

The amounts of net retirement benefit obligation recognized in the consolidated statements of financial position are determined as shown below.

	2021	2020
Present value of the obligation	**P 112,172,242**	P 107,090,091
Fair value of plan assets	**(9,149,411)**	(8,845,827)
	P 103,022,831	P 98,244,264

The movements in the fair value of plan assets are presented below.

	2021	2020
Balance at beginning of year	**P 8,845,827**	P 9,215,818
Interest income	**361,794**	481,066
Loss on plan assets (excluding amounts included in net interest)	**(58,210)**	(851,057)
Balance at end of year	**P 9,149,411**	P 8,845,827

The Group's plan assets is composed of special deposit account. The plan assets do not comprise any of the Group's own financial instruments or any of its assets occupied and/or used in its operations.

The loss on plan assets amounted to P0.1 million, P0.9 million and P0.6 million in 2021, 2020 and 2019, respectively.

The movements in the present value of defined benefit obligation recognized in the books are as follows:

	2021	2020
Balance at beginning of year	P 107,090,091	P 87,480,211
Current service cost	10,647,962	9,576,963
Interest expense	4,292,387	4,475,971
Actuarial losses (gains) arising from:		
Changes in financial assumptions	(19,488,178)	16,189,779
Experienced adjustments	9,629,980	(8,921,039)
Changes in demographic assumptions	-	(1,711,794)
Balance at end of year	P 112,172,242	P 107,090,091

The components of amounts recognized in consolidated profit or loss and in consolidated other comprehensive income in respect of the post-employment defined benefit plan are shown below.

	2021	2020	2019
Reported in profit or loss:			
Current service cost	P 10,647,962	P 9,576,963	P 5,249,168
Interest expense – net	3,930,593	3,994,905	2,872,222
	P 14,578,555	P 13,571,868	P 8,121,390
Reported in other comprehensive income (losses):			
Actuarial gains (losses) arising from:			
Changes in financial assumptions	P 19,488,178	(P 16,189,779)	(P 23,868,938)
Experience adjustments	(9,629,980)	8,921,039	(19,394,002)
Changes in demographic assumptions	-	1,711,794	11,628,211
Loss on plan assets	(58,210)	(851,057)	(75,629)
	P 9,799,988	(P 6,408,003)	(P 31,710,358)

Current service cost and acquired obligation are presented as part of Salaries and employee benefits under the Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 17.2).

Net interest expense is presented as part of Finance Costs under Other Income (Charges) in the consolidated statements of comprehensive income.

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

For the determination of the retirement benefit obligation, the following actuarial assumptions were used:

	2021	2020	2019
Discount rates	**5.16%**	4.01%	5.10%
Expected rate of salary increases	**7.75%**	7.75%	7.75%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is eight years for both male and female. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the DBO is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in savings deposit accounts and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has only investments in cash in banks.

(ii) Longevity and Salary Risks

The present value of the DBO is calculated by reference to the best estimate of the mortality of the plan participants both during their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's timing and uncertainty of future cash flows related to the retirement plan are presented below and in the succeeding page.

(i) Sensitivity Analysis

The table presented in the succeeding page summarizes the effect of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31.

	Impact on Retirement Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2021:			
Discount rate	**+6.19%/-4.19%**	**(P 24,818,639)**	**P 32,431,546**
Salary growth rate	**+6.00%/-4.00%**	**32,548,707**	**(25,057,694)**
2020:			
Discount rate	+5.09%/-3.09%	(P 23,736,553)	P 31,384,889
Salary growth rate	+6.00%/-4.00%	31,224,432	(23,840,259)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the Group through its Retirement Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to ensure that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in fixed interest financial assets, primarily in short term placements. The Group monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

The plan asset is currently composed of special deposit accounts as the Group believes that these investments are the best returns with an acceptable level of risk.

There has been no change in the Group's strategies to manage its risks from previous period.

(iii) Funding Arrangements and Expected Contributions

The plan is currently underfunded by P103.0 million as at year-end, while there are no minimum funding requirement in the Philippines, there is a risk that the Group may not have the cash if several employees retire within the same year.

The Group does not expect to contribute to the retirement fund in 2022.

The maturity profile of undiscounted expected benefit payment from the plan are as follows:

		2021		2020
Less than one year	**P**	**1,302,078**	P	624,237
One to less than five years		**18,160,704**		6,686,586
Five to less than 10 years		**53,558,677**		26,231,920
More than 10 years to 15 years		**98,563,777**		96,215,366
More than 15 years to 20 years		**89,320,428**		108,914,738
More than 20 years		**659,935,799**		504,838,397
	P	**920,841,463**	P	743,511,244

The weighted average duration of the defined benefit obligation at the end of the reporting period is 23.76 years.

22. EQUITY

22.1 Capital Stock

Capital stock in 2021 and 2020 consists of:

	Shares		Amount
Common shares – P1.00 par value			
Authorized			
Balance at beginning and end of year	996,000,000	P	996,000,000
Issued and outstanding			
Balance at beginning and end of year	644,117,649	P	644,117,649
Preferred shares – P0.01 par value			
Authorized			
Balance at beginning and end of year	400,000,000	P	4,000,000

On March 17, 2016, the SEC approved the increase in the Parent Company's authorized capital stock from P20.0 million divided into 200,000 common shares with par value of P100 per share to P1,000.0 million divided into 996,000,000 common shares with par value of P1 per share and 400,000,000 preferred shares with par value of P0.01 per share.

On April 1, 2016, the Parent Company applied for the registration of its common shares with the SEC and the listing of the Parent Company's shares on the PSE. The PSE approved the Parent Company's application for the listing of its common shares on June 8, 2016 and the SEC approved the registration of the 74,117,649 common shares of the Parent Company on June 14, 2016.

On June 3, 2016, the SEC approved the listing of the Parent Company's common shares totaling 74.1 million. The shares were initially issued at an offer price of P10.50 per common share. In 2021 and 2020, there were no additional issuances.

On June 29, 2016, by way of an initial public offering (IPO), sold 74,117,649 shares of its common stock at an offer price of P10.50 and generated net proceeds of approximately P703.0 million. The IPO resulted in the recognition of additional paid-in capital amounting to P628.9 million, net of IPO-related expenses amounting to P75.2 million.

On December 27, 2017, the Parent Company's BOD authorized the issuance of 150,000,000 common shares to CGI, a related party under common ownership, out of the unissued authorized capital stock, at a subscription price of P20.1 per share or an aggregate subscription price of P3,014.0 million.

22.2 Revaluation Reserves

As of December 31, 2021, 2020 and 2019, revaluation reserves pertains to accumulated actuarial losses and gains, net of tax, due to remeasurement of post-employment defined benefit plan amounting to P15.0 million, P20.9 million and P16.4 million, respectively (see Note 21.2).

23. EARNINGS PER SHARE

The basic and diluted earnings per share were computed as follows:

	2021	2020	2019
Net profit	**P 1,538,077,695**	P 1,219,852,917	P 2,567,611,904
Divided by the weighted number of outstanding common shares	**644,117,649**	644,117,649	644,117,649
Basic and diluted earnings per share	**P 2.39**	P 1.89	P 3.99

The Group has no dilutive potential common shares as at December 31, 2021, 2020 and 2019; hence, diluted earnings per share equals the basic earnings per share.

24. COMMITMENTS AND CONTINGENCIES

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

25. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks, unless otherwise stated, to which the Group is exposed to are described below and in the succeeding pages.

25.1 Interest Rate Risk

The Group has no financial instruments subject to floating interest rate, except cash in banks, which has historically shown small or measured changes in interest rates. As such, the Group's management believes that interest rate risks are not material.

25.2 Credit Risk

The Group operates under sound credit-granting criteria wherein credit policies are in place. These policies include a thorough understanding of the customer or counterparty as well as the purpose and structure of credit and its source of repayment. Credit limits are set and monitored to avoid significant concentrations to credit risk. The Group also employs credit administration activities to ensure that all facets of credit are properly maintained.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the financial assets as shown on the consolidated statements of financial position are summarized below.

	Notes	**2021**	2020
Cash and cash equivalents	5	**P 1,924,323,431**	P 1,543,506,480
Contracts receivable	6.1	**9,187,440,684**	11,369,979,479
Contract assets	16	**4,364,475,607**	2,258,812,742
Due from related parties	20.1	**13,239,394**	10,384,667
Security deposits	8	**31,459,767**	102,345,171
Other receivables	6.2	**42,998,668**	38,779,628
		P15,563,937,551	P15,323,808,167

Cash in banks are insured by the Philippine Deposit Insurance Commission up to a maximum coverage of P0.5 million for every depositor per banking institution. Also, the Group's contracts receivable are effectively collateralized by residential houses and lots and memorial lots. Other financial assets are not secured by any collateral or other credit enhancements.

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all contract receivables and other receivables. To measure the expected credit losses, contract receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than contract receivables and have substantially the same risk characteristics as the contract receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2021 and 2020, respectively, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The management determined that there is no required ECL to be recognized on the Group's contract receivables since the fair value of real estate sold when reacquired is sufficient to cover the unpaid outstanding balance of the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient. Accordingly, no additional allowance was recorded by the Group as of December 31, 2021 and 2020.

The Contract Asset account is secured to the extent of the fair value of the real estate sale of house and lot and condominium units sold since the title to the real estate properties remains with the Group until the contract assets or receivables are fully collected. Therefore, there is also no expected loss given default on the contract asset.

The Group considers credit enhancements in determining the expected credit loss. Contract receivables and contract assets from real estate sales are collateralized by the real properties. The estimated fair value of collateral and other security enhancements held against contract receivables and contract assets are presented below.

	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
2021			
Contract receivables	P 9,187,440,684	P 9,847,205,697	P -
Contract assets	4,364,475,607	4,481,504,090	-
	P 13,551,916,291	**P14,328,709,787**	**P -**
2020			
Contract receivables	P 11,369,979,479	P 12,745,144,773	P -
Contract assets	2,258,812,742	3,080,315,294	-
	P 13,628,792,221	P 15,825,460,067	P -

Some of the unimpaired contract receivables and other receivables, which are mostly related to real estate sales, are past due as at the end of the reporting period and are presented in the succeeding page.

	2021	2020
Current (not past due)	**P 5,383,797,369**	P 10,454,860,808
Past due but not impaired:		
More than one month but not more than 3 months	**1,100,180,542**	215,516,932
More than 3 months but not more than 6 months	**1,215,716,657**	94,757,758
More than 6 months but not more than one year	**222,716,155**	3,750,623
More than one year	**1,265,029,961**	601,093,358
	P 9,187,440,684	P 11,369,979,479

ECL for due from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties. The Group does not consider any significant risks in the due from related parties as these are entities whose credit risks for liquid funds are considered negligible, since counterparties are in good financial condition. As of December 31, 2021 and 2020, impairment allowance is not material.

Security deposits are subject to credit risk. The Group's security deposits pertain to receivable from lessors and third party utility providers. Based on the reputation of those counterparties, management considers that these deposits will be refunded when due.

25.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

As of December 31, the Group's financial liabilities have contractual maturities which are presented below and in the succeeding page.

	Within 12 months	**More than One Year to Five Years**
2021		
Trade and other payables	P1,886,987,734	P -
Rawland payable	838,091,629	-
Interest-bearing loans and borrowings	2,792,140,936	4,264,847,144
Due to related parties	952,080,398	-
Reserve for perpetual care	-	872,382,648
	P6,469,300,697	**P5,137,229,792**

	Within	More than One Year to

	12 months	Five Years
2020		
Trade and other payables	P1,866,053,498	P -
Rawland payable	1,316,499,113	-
Interest-bearing loans and borrowings	2,199,058,779	5,298,365,592
Due to related parties	952,622,887	-
Reserve for perpetual care	-	827,845,319
	P6,334,234,277	P6,126,210,911

26. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown as follows:

		2021		2020	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial Assets					
At amortized cost:					
Cash and cash equivalents	5	**P 1,924,323,431**	**P 1,924,323,431**	P 1,543,506,480	P 1,543,506,480
Contracts receivable	6	**9,187,440,684**	**9,431,389,608**	11,369,979,479	11,495,682,291
Due from related parties	20.1	**13,239,394**	**13,239,394**	10,384,667	10,384,667
Security deposits	8	**31,459,767**	**31,459,767**	102,345,171	102,345,171
Other receivable	6.2	**42,998,668**	**42,998,668**	38,779,628	38,779,628
		P 11,199,461,944	**P 11,443,410,868**	P 13,064,995,425	P 13,190,698,237
Financial Liabilities					
At amortized cost:					
Interest-bearing loans	12	**P 6,825,314,883**	**P 7,056,988,080**	P 7,206,148,994	P 7,497,424,371
Trade and other payables	13	**1,886,987,734**	**1,886,987,734**	1,866,053,498	1,866,053,498
Due to related parties	20.2	**952,080,398**	**952,080,398**	952,622,887	952,622,887
Rawland payable	13.2	**838,091,629**	**838,091,629**	1,316,499,113	1,316,499,113
Reserve for perpetual care	15	**872,382,648**	**872,382,648**	827,845,319	827,845,319
		P 11,374,857,292	**P 11,606,530,489**	P 12,169,169,811	P 12,460,445,188

See Note 2.5 for a description of the accounting policies for each category of financial instrument. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 25.

26.2 Offsetting of Financial Assets and Financial Liabilities

Except as more fully described in Note 20, the Group has not set-off financial instruments in 2021 and 2020 and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 20 can be potentially offset to the extent of their corresponding outstanding balances.

The Group has cash in certain local banks to which it has outstanding loans (see Note 12). Moreover, the Group has certain contract receivables which were used as collateral security against interest-bearing loans (see Note 6.1). Accordingly, in case of the Group's default on loan amortization, cash in bank amounting to P455.1 million and P456.5 million and contract receivable amounting to P3,540.0 million and P3,691.4 million can be applied against its outstanding loans amounting to P6,825.3 million and P7,206.1 million as of December 31, 2021 and 2020, respectively. In addition, the Group has payables to HDC amounting P62.1 million that are collateralized by contract receivable by the same amount as of December 31, 2020 (nil in 2021).

27. FAIR VALUE MEASUREMENT AND DISCLOSURES

27.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

27.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The Group's financial assets which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed include cash and cash equivalents, which are categorized as Level 1, and contract and other receivables, due from related parties and security deposits which are categorized as Level 3. Financial liabilities which are not measured at fair value but for which fair value is disclosed pertain to interest-bearing loans and borrowings, trade and other payables, due from related parties, rawland payable, and reserve for perpetual care which are categorized as Level 3.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data.

27.3 Fair Value Measurement for Non-financial Assets

The Group's investment properties amounting to P75.8 million are categorized under level 3 hierarchy of non-financial assets measured at cost as of December 31, 2021 and 2020 (see Note 11).

The fair value of the Group's investment properties, pertaining to parcels of land, amounting to P508.3 million and P508.1 million as of December 31, 2021 and 2020, respectively, are determined on the basis of the appraisals performed by an independent appraiser, respectively, with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land, and the comparable prices in the corresponding property location.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's non-financial assets indicated above is their current use.

The Group determines the fair value of idle properties through appraisals by independent valuation specialists using market – based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

The level 3 fair value of land was determined based on the observable recent prices of the reference properties, adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

28. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the carrying amount of equity as presented in the consolidated statements of financial position. Capital for the reporting periods under review is summarized as follows:

	2021	2020
Total liabilities	**P 15,442,046,018**	P16,715,318,770
Total equity	**11,383,779,669**	9,839,842,506
Debt-to-equity ratio	**1.36:1.00**	1.70:1.00

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below and in the succeeding page is the supplemental information on the Group's liabilities arising from financing activities (see Notes 10.2, 12 and 20.2):

	Interest-bearing Loans	**Due to Related Parties**	**Lease Liabilities**	**Total**
Balance as at January 1, 2021	P 7,206,148,994	P 952,622,887	P 18,660,533	P8,177,432,414
Cash flows from financing activities:				
Additional borrowings	4,084,581,414	-	-	4,084,581,414
Repayments	(4,465,415,525)	(542,489)	(12,332,902)	(4,478,290,916)
Non-cash financing activities:				
Interest expense on lease liabilities	-	-	2,209,777	2,209,777
Derecognition of lease liabilities	-	-	(799,611)	(799,611)
Additional lease liabilities	-	-	27,342,107	27,342,107
Balance as at December 31, 2021	**P 6,825,314,883**	**P 952,080,398**	**P 35,079,904**	**P7,812,475,185**
Balance as at January 1, 2020	P 7,625,880,975	P 952,552,860	P 16,466,548	P8,594,900,383
Cash flows from financing activities:				
Additional borrowings	3,640,123,741	70,027	-	3,640,193,768
Repayments	(4,059,855,722)	-	(13,248,845)	(4,073,104,567)
Non-cash financing activities:				
Interest expense on lease liabilities	-	-	1,722,004	1,722,004
Additional lease liabilities	-	-	13,720,826	13,720,826
Balance as at December 31, 2020	P 7,206,148,994	P 952,622,887	P 18,660,533	P8,177,432,414
Balance as of January 1, 2019, as restated	P 1,996,787,464	P 952,552,860	P 25,485,769	P2,974,826,093
Cash flows from financing activities:				
Additional borrowings	6,888,902,680	-	-	6,888,902,680
Repayments	(1,259,809,169)	-	(12,057,343)	(1,271,866,512)
Non-cash financing activities:				
Interest expense on lease liabilities	-	-	1,852,620	1,852,620
Additional lease liabilities	-	-	1,185,502	1,185,502
Balance as at December 31, 2019	P 7,625,880,975	P 952,552,860	P 16,466,548	P8,594,900,383

P&A
Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Golden MV Holdings, Inc. and subsidiaries (the Group) for the year ended December 31, 2021, on which we have rendered our report dated May 13, 2022. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

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

May 13, 2022

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
List of Supplementary Information
December 31, 2021

Golden MV Holdings, Inc. and Subsidiaries
Schedule A - Financial Assets
Financial Assets at Amortized Cost
December 31, 2021

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*	*Amount shown on the balance sheet*	*Valued based on the market quotation at balance sheet date*	*Income received and accrued*
Cash and cash equivalents		P 1,924,323,431	P 1,924,323,431	P 3,944,717
Contract receivable		9,187,440,684	9,431,389,608	182,877,062
Due from related parties		13,239,394	13,239,394	
Security deposits		31,459,767	31,459,767	-
Other receivable		42,998,668	42,998,668	
	-	P 11,199,461,944	P 11,443,410,868	P 186,821,779

Golden MV Holdings, Inc. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Related Parties)
December 31, 2021

				Ending Balance		
Name	*Beginning Balance*	*Additions*	*Deductions*	*Current*	*Not current*	*Total*

NOTHING TO REPORT

Golden MV Holdings, Inc. and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
December 31, 2021

Name and designation of debtor	Balance at the beginning of period	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Current	Not current	Balance at the end of the period
Golden Haven Memorial Park, Inc.	P 731,790	P 37,694,679	P -	P -	P -	P -	P 38,426,469
Bria Homes, Inc.	-	257,142,857	-	-	-	-	257,142,857

Golden MV Holdings, Inc. and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2021

Title of issue and type of obligation	*Amount authorized by indenture*	*Amount shown under caption"Current portion of long-term debt" in related balance sheet*	*Amount shown under caption"Long-Term Debt" in related balance sheet*
Long -term loan (Domestic)	P 6,825,314,883	P 2,966,634,143	P 3,858,680,740

Golden MV Holdings, Inc. and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-term Loans from Related Companies)
December 31, 2021

Name of Related Party	*Balance at Beginning of Period*		*Balance at End of Period*	
Britanny Estates Corporation	P	11,208,285	P	10,665,796
Cambridge Group, Inc.		901,878,629		901,878,629
Fine Properties, Inc.		39,535,973		39,535,973
Total	**P**	**952,622,887**	**P**	**952,080,398**

Golden MV Holdings, Inc. and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2021

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	*Title of Issue of Each Class of Securities Guaranteed*	*Total Amount Guaranteed and Outstanding*	*Amount Owned by Person for which Statement is Filed*	*Nature of Guarantee*

NOTHING TO REPORT

Golden MV Holdings, Inc. and Subsidiaries
Schedule G - Capital Stock
December 31, 2021

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under the related balance sheet caption*	*Number of shares reserved for options, warrants, conversion and other rights*	*Number of shares held by*		
				Related parties	*Directors, officers and employees*	*Others*
Common shares - P1 par value	996,000,000	644,117,649	-	570,802,055	3,170,302	70,145,292
Preferred shares - P.01 par value	400,000,000					

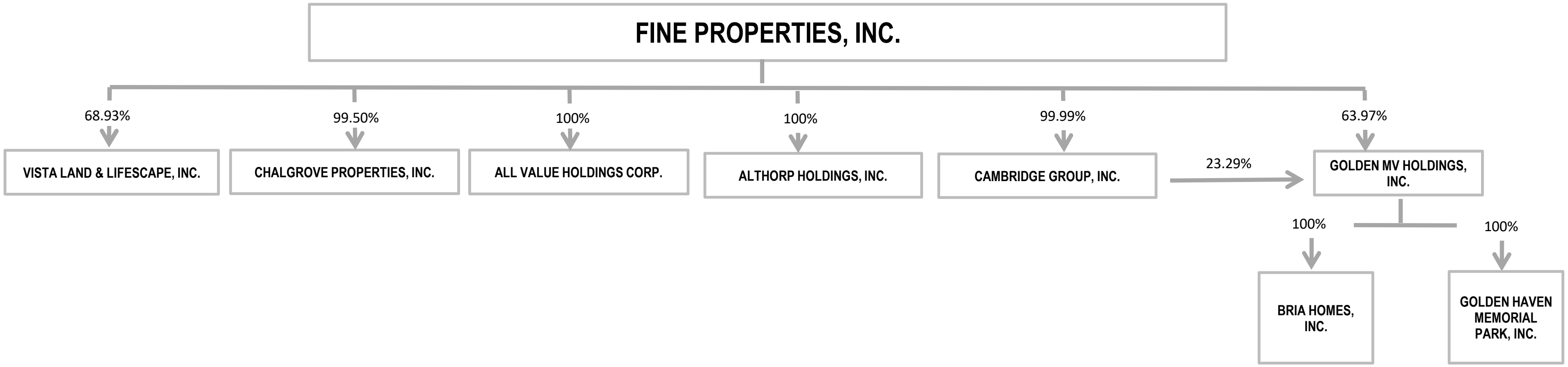
GOLDEN MV HOLDINGS, INC.
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended December 31, 2021

Unappropriated Retained Earnings Available for Dividend Delcaration at Beginning of Year			P	1,140,703,921
Prior Years' Outstanding Reconciling Item, net of tax				
Deferred tax asset			(	1,969,656)
Unappropriated Retained Earnings Available for Dividend Delcaration at Beginning of Year, as Adjusted				1,138,734,265
Net Profit Realized during the period				
Net profit per audited financial statements	P	245,662,560		
Deferred tax income	(	79,110,273)		166,552,287
Unappropriated Retained Earnings Available for Dividend Declaration at End of Year			**P**	**1,305,286,552**

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES

SHOWING THE RELATIONSHIPS BETWEEN AND AMONG COMPANIES IN THE GROUP

ULTIMATE PARENT COMPANY AND SUBSIDIARY



P&A Grant Thornton

Report of Independent Auditors on Components of Financial Soundness Indicators

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Golden MV Holdings, Inc. and subsidiaries (the Group) for the years ended December 31, 2021 and 2020, on which we have rendered our report dated May 13, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission (SEC), and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and 2020 and for each of the two years in the period ended December 31, 2021 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

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

May 13, 2022

GOLDEN MV HOLDINGS, INC.
Supplemental Schedule of Financial Soundness Indicators
December 31, 2021 and 2020

Ratio	Formula	2021	Formula	2020
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets P 24,338,924,660 Divide by: Total Current Liabilities 9,642,930,289 Current ratio 2.52	2.52	Total Current Assets divided by Total Current Liabilities Total Current Assets P 23,522,645,669 Divide by: Total Current Liabilities 9,533,834,984 Current ratio 2.47	2.47
Acid test ratio	Quick assets (Total Current Assets less Real Estate Inventories) divided by Total Current Liabilities Total Current Assets P 24,338,924,660 Less: Real Estate Inventories 7,291,399,818 Quick Assets 17,047,524,842 Divide by: Total Current Liabilities 9,642,930,289 Acid test ratio 1.77	1.77	Quick assets (Total Current Assets less Real Estate Inventories) divided by Total Current Liabilities Total Current Assets P 23,522,645,669 Less: Real Estate Inventories 7,555,584,828 Quick Assets 15,967,060,841 Divide by: Total Current Liabilities 9,533,834,984 Acid test ratio 1.67	1.67
Solvency ratio	Earnings before interest, taxes, depreciation and amprtization (EBITDA) divided by Total Debt (includes interest-bearing loans and borrowings) EBITDA P 1,845,719,318 Divide by: Total Debt 6,825,314,883 Solvency ratio 0.27	0.27	Earnings before interest, taxes, depreciation and amprtization (EBITDA) divided by Total Debt (includes interest-bearing loans and borrowings) EBITDA P 1,753,544,067 Divide by: Total Debt 7,206,148,994 Solvency ratio 0.24	0.24
Debt-to-equity ratio	Total Debt (includes interest-bearing loans and borrowings) divided by Total Equity Total Debt P 6,825,314,883 Divide by: Total Equity 11,383,779,669 Debt-to-equity ratio 0.60	0.60	Total Debt (includes interest-bearing loans and borrowings) divided by Total Equity Total Debt P 7,206,148,994 Divide by: Total Equity 9,839,842,506 Debt-to-equity ratio 0.73	0.73
Assets-to-equity ratio	Total Assets divided by Total Equity Total Assets P 26,825,825,687 Divide by: Total Equity 11,383,779,669 Assets-to-equity ratio 2.36	2.36	Total Assets divided by Total Equity Total Assets P 26,555,161,276 Divide by: Total Equity 9,839,842,506 Assets-to-equity ratio 2.70	2.70
Interest rate coverage	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT P 1,748,680,128 Divide by: Interest expense 300,945,519 Interest rate coverage ratio 5.81	5.81	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT P 1,637,324,912 Divide by: Interest expense 290,301,911 Interest rate coverage ratio 5.64	5.64
Return on equity	Net Profit (Loss) divided by Total Equity Net Profit P 1,538,077,695 Divide by: Total Equity 11,383,779,669 Return on equity 0.14	0.14	Net Profit (Loss) divided by Total Equity Net Loss P 1,219,852,917 Divide by: Total Equity 9,839,842,506 Return on equity 0.12	0.12
Return on assets	Net Profit (Loss) divided by Total Assets Net Profit P 1,538,077,695 Divide by: Total Assets 26,825,825,687 Return on assets 0.06	0.06	Net Profit (Loss) divided by Total Assets Net Profit P 1,219,852,917 Divide by: Total Assets 26,555,161,276 Return on assets 0.05	0.05
Net Profit Margin	Net Profit (Loss) divided by Total Revenue Net Profit P 1,538,077,695 Divide by: Total Revenue 5,169,345,136 Return on assets 0.30	0.30	Net Profit (Loss) divided by Total Revenue Net Loss P 1,219,852,917 Divide by: Total Revenue 5,220,677,683 Return on assets 0.23	0.23

P&A Grant Thornton

FOR SEC FILING

Financial Statements and
Independent Auditors' Report

Golden MV Holdings, Inc.

December 31, 2021, 2020 and 2019

P&A Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
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Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) and described in Note 2 to the financial statements.

Basis for Opinion

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

Emphasis of Matter

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

We also draw attention to Note 2 to the financial statements, which indicates that the financial statements have been prepared in accordance with PFRS, as modified by the financial reporting reliefs issued and approved by the SEC. The qualitative impact of the financial reporting reliefs on the financial statements are disclosed in Note 2 to the financial statements. Our opinion is not modified in respect of this matter.

Our opinion is not modified in respect of these matters.

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2021 required by the Bureau of Internal Revenue as disclosed in Note 29 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner in the audits resulting in this independent auditor's report is James Joseph Benjamin J. Araullo.

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

CPA Reg. No. 0111202
TIN 233-090-319
PTR No. 8852325, January 3, 2022, Makati City
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Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

May 13, 2022

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

	Notes	2021	2020
A S S E T S			
CURRENT ASSETS			
Cash	4	P 278,507,532	P 262,377,206
Contracts receivable	5	1,704,582,546	1,561,887,429
Due from related parties	19	51,512,863	11,116,457
Other receivables	5	140,320,135	141,487,647
Memorial lot inventories – net	6	1,428,535,368	1,341,465,133
Other current assets	11	25,418,676	23,926,304
Total Current Assets		3,628,877,120	3,342,260,176
NON-CURRENT ASSETS			
Contracts receivable	5	1,142,017,022	1,568,081,197
Investments in subsidiaries	7	3,054,025,480	3,054,025,480
Property and equipment – net	8	196,874,709	225,840,770
Right-of-use assets – net	9	8,815,474	14,329,498
Investment properties	10	5,540,932	5,540,932
Total Non-current Assets		4,407,273,617	4,867,817,877
TOTAL ASSETS		P 8,036,150,737	P 8,210,078,053
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans	12	P 5,124,436	P 32,093,515
Trade and other payables	13	725,314,246	1,012,084,571
Rawlands payable	13	222,736,483	309,509,135
Lease liabilities	9	4,863,176	5,954,451
Customers' deposits	2	159,558,877	129,571,033
Income tax payable		13,680,083	19,500,159
Total Current Liabilities		1,131,277,301	1,508,712,864
NON-CURRENT LIABILITIES			
Interest-bearing loans	12	102,753	5,175,191
Lease liabilities	9	4,840,863	8,875,189
Deferred tax liabilities – net	18	470,516,221	549,576,751
Reserve for perpetual care	14	872,382,648	827,845,319
Subscription payable	7	30,000,000	30,000,000
Defined benefit obligation	20	6,554,526	4,393,158
Total Non-current Liabilities		1,384,397,011	1,425,865,608
Total Liabilities		2,515,674,312	2,934,578,472
EQUITY			
Capital stock	21	644,117,649	644,117,649
Additional paid-in capital		3,492,955,822	3,492,955,822
Revaluation reserves		(2,963,527)	(2,277,811)
Retained earnings		1,386,366,481	1,140,703,921
Net Equity		5,520,476,425	5,275,499,581
TOTAL LIABILITIES AND EQUITY		P 8,036,150,737	P 8,210,078,053

See Notes to Financial Statements.

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

	Notes	2021	2020	2019
REVENUES				
Real estate sales	15	P 716,196,933	P 821,166,080	P 1,338,035,068
Interest income on contract receivables	5	61,044,840	52,838,022	61,098,493
Interment income	15	75,446,574	47,010,066	38,897,054
Income from chapel services	15	34,235,904	24,183,914	41,889,569
		886,924,251	945,198,082	1,479,920,184
COSTS AND EXPENSES	16			
Cost of memorial lots sold		(322,262,040)	(368,010,061)	(575,924,381)
Cost of interment		(24,803,872)	(16,495,669)	(16,914,465)
Cost of chapel services		(14,125,454)	(11,535,529)	(15,532,653)
Costs of sales and services		361,191,366	396,041,259	608,371,499
Other operating expenses		370,130,392	375,857,707	465,998,857
		731,321,758	771,898,966	1,074,370,356
OPERATING PROFIT		155,602,493	173,299,116	405,549,828
OTHER INCOME (CHARGES)				
Finance costs	9, 12, 20	(3,515,118)	(11,805,253)	(42,271,503)
Finance income	4	369,617	1,710,681	1,232,927
Other income	17	49,291,540	38,171,286	57,897,634
		46,146,039	28,076,714	16,859,058
PROFIT BEFORE TAX		201,748,532	201,375,830	422,408,886
TAX INCOME (EXPENSE)	18	43,914,028	(61,474,152)	(128,283,673)
NET PROFIT		245,662,560	139,901,678	294,125,213
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of defined benefit obligation	20	(697,354)	5,637,199	(3,993,891)
Tax income (expense)	18	11,638	(1,691,160)	1,198,168
		(685,716)	3,946,039	(2,795,723)
TOTAL COMPREHENSIVE INCOME		P 244,976,844	P 143,847,717	P 291,329,490
Basic and Diluted Earnings Per Share	22	P 0.38	P 0.22	P 0.46

See Notes to Financial Statements.

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

	Capital Stock (Note 21)	**Additional Paid-in Capital** (Note 21)	**Revaluation Reserves** (Notes 18, 20 and 21)	**Retained Earnings**	**Net Equity**
Balance at January 1, 2021	P 644,117,649	P 3,492,955,822	(P 2,277,811)	P 1,140,703,921	P 5,275,499,581
Total comprehensive income (loss) for the year	-	-	(685,716)	245,662,560	244,976,844
Balance at December 31, 2021	**P 644,117,649**	**P 3,492,955,822**	**(P 2,963,527)**	**P 1,386,366,481**	**P 5,520,476,425**
Balance at January 1, 2020	P 644,117,649	P 3,492,955,822	(P 6,223,850)	P 1,000,802,243	P 5,131,651,864
Total comprehensive income for the year	-	-	3,946,039	139,901,678	143,847,717
Balance at December 31, 2020	P 644,117,649	P 3,492,955,822	(P 2,277,811)	P 1,140,703,921	P 5,275,499,581
Balance at January 1, 2019	P 644,117,649	P 3,492,955,822	(P 3,428,127)	P 706,677,030	P 4,840,322,375
Total comprehensive income (loss) for the year	-	-	(2,795,723)	294,125,213	291,329,490
Balance at December 31, 2019	P 644,117,649	P 3,492,955,822	(P 6,223,850)	P 1,000,802,243	P 5,131,651,864

See Notes to Financial Statements.

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

	Notes	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 201,748,532	P 201,375,830	P 422,408,886
Adjustments for:				
Interest income	4, 5	(61,414,457)	(54,548,703)	(62,331,420)
Depreciation and amortization	8, 9	46,263,054	50,388,213	44,543,243
Interest expense	9, 12, 20	3,186,692	10,937,125	40,783,542
Gain on lease cancellation	9	(59,074)	-	-
Operating profit before working capital changes		189,724,747	208,152,465	445,404,251
Decrease (increase) in contracts receivable		283,369,058	(33,521,995)	(633,777,337)
Decrease (increase) in other receivables		1,167,512	(14,076,106)	(9,886,915)
Decrease (increase) in memorial lot inventories		(87,070,235)	(109,709,698)	32,387,561
Increase in other current assets		(1,621,242)	(392,115)	(2,791,700)
Increase (decrease) in trade and other payables		(71,942,121)	(59,018,313)	147,612,682
Decrease in rawlands payable		(86,772,652)	(45,457,262)	(14,990,691)
Increase in customers' deposits		29,987,844	55,228,839	12,886,563
Increase in defined benefit obligation		1,284,334	1,305,132	888,928
Increase in other liabilities		56,009,279	158,138,838	292,791,608
Cash generated from operations		314,136,524	160,649,785	270,524,950
Interest received		61,414,457	54,548,703	62,331,420
Cash paid for income taxes		(40,954,940)	(47,856,557)	(48,014,395)
Net Cash From Operating Activities		334,596,041	167,341,931	284,841,975
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances granted to related parties	19	(41,431,550)	(6,829,891)	-
Acquisitions of property and equipment	8	(22,135,364)	(18,927,214)	(67,014,037)
Collections of advances to parent company	19	1,035,144	3,695,373	291,873
Acquisition of shares of stock	7	-	(9,997,997)	-
Acquisition of investment properties		-	-	(202,042,358)
Net Cash Used in Investing Activities		(62,531,770)	(32,059,729)	(268,764,522)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances obtained (paid) to affiliates	19, 28	(214,828,204)	471,498,599	-
Repayment of interest-bearing loans	12, 28	(32,041,517)	(566,601,045)	(16,105,707)
Repayment of lease liabilities	9, 28	(7,085,629)	(7,917,189)	(6,523,259)
Interest paid	12	(1,978,595)	(9,063,482)	(39,527,409)
Proceeds from availments of interest-bearing loans	12, 28	-	51,352,400	65,955,500
Net Cash From (Used in) Financing Activities		(255,933,945)	(60,730,717)	3,799,125
NET INCREASE IN CASH		16,130,326	74,551,485	19,876,578
CASH AT BEGINNING OF YEAR		262,377,206	187,825,721	167,949,143
CASH AT END OF YEAR		P 278,507,532	P 262,377,206	P 187,825,721

Supplemental Information on Non-cash Investing and Financing Activities:

1) In 2021 and 2020, the Company recognized right-of-use assets amounting to P1.9 million and P9.7 million, and lease liabilities amounting to P1.7 million and P9.2 million, respectively (see Notes 9 and 28).

2) In 2021, the Company derecognized right-of-use assets and related lease liabilities amounting to P0.7 million and P0.8 million, respectively, due to pre-termination of lease (see Note 9).

3) In 2020, the Company recognized subscription payable amounting to P30.0 million for the unpaid portion of the subscribed shares. There was no similar transaction in 2021 (see Note 7).

4) In 2019, the Company transferred certain Investment Properties to Memoral Lot Inventories with carrying amount of P783.9 million. There was no similar transaction in 2021 and 2020.

See Notes to Financial Statements.

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

1. GENERAL INFORMATION

1.1 Corporate Information

Golden MV Holdings, Inc. (HVN or the Company), formerly Golden Bria Holdings, Inc., was incorporated in the Philippines on November 16, 1982. The Company's primary purpose is to invest, purchase or otherwise to acquire and own, hold, use, sell, assign, transfer, lease mortgage, exchange, develop, manage or otherwise dispose of real every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporations. As of December 31, 2021, the Company is 63.97% effectively owned subsidiary of Fine Properties, Inc. (FPI), which is a holding company.

In 2017, HVN acquired 99.99% ownership interest in Bria Homes, Inc. (BHI). Accordingly, BHI became a subsidiary of HVN. BHI is presently engaged in developing and selling real estate properties, particularly, residential houses, and lots.

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

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

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

The Company's shares of stock are listed at the Philippine Stock Exchange (PSE) beginning June 29, 2016 (see Note 21).

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

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

In response to this matter, the Company placed necessary measures to ensure that revenues will not be significantly affected such as increased online presence through online advertising and promotion and other offline promotional activities to attract customers. The Company also strengthened its online facility to cater the needs of its customers and implemented online-based payment schemes to encourage customers to pay their billings on time. The Company also implemented new occupational safety and health standards to provide safe and sanitized environment for employees through strict observation of health and safety protocols, retrofitting of office premises and work spaces, implementation of work-at-home arrangements, and periodic testing of employees to minimize infection within the workplace and minimize disruptions in its operations.

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

- Real estate sales in 2021 decreased by 13% as compared to that of 2020 as the Company is still adversely affected by the disruptions brought by the quarantine restrictions on construction activities. Such amount is 46% lower as compared to amount of revenue generated in 2019.
- Interment income increased by 60% generally due to higher number of interment services across the country which was boosted by the related effects of COVID-19 pandemic. Such amount is 94% higher as compared to amount earned in 2019.
- Income from chapel services increased by 42% during the year due to the ease on limitations imposed on chapel services which consequently resulted to increase in availments of chapel services during the year. Such amount is 18% lower as compared to amount earned in 2019.
- Net profit increased by 76% as compared to 2020, as a result of overall improvement in the Company's business operations. However, such amount is 16% lower as compared to amount earned in 2019.

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

1.3 Approval of Financial Statements

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

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

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed by the Company

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

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

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

Relief	Description and Implication	Deferral period
PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*	PFRS 15 requires that, in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Company do not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant. Had the Company elected not to defer this provision of the standard, it would have an impact in the financial statement as there would have been a significant financing component when there is a difference between the percentage of completion (POC) of the real estate project and the right to the consideration based on the payment schedule stated in the contract. The Company would have recognized an interest income when the POC of the real estate project is greater than the right to the consideration and interest expense when lesser. Both interest income and expense will be calculated using the effective interest rate method. This will impact the retained earnings, real estate sales, and profit or loss in 2021 and prior years.	Originally until December 31, 2020 under MC 14-2018; further deferred until December 31, 2023 under MC 34-2020

(c) Presentation of Financial Statements

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

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

(d) Functional and Presentation Currency

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

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

2.2 Adoption of Amended PFRS

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

The Company adopted for the first time the following amendments to existing standards which are mandatorily effective for annual periods beginning on or after January 1 and April 1, 2021:

PFRS 9, PFRS 7 and PFRS 16 (Amendments)	:	Interest Rate Benchmark Reform Phase 2 Financial Instruments, Financial Instruments: Disclosures and Leases
PFRS 16 (Amendments)	:	Leases – COVID-19-Related Rent Concessions beyond June 30, 2021

Presented below are the relevant information about these pronouncements.

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

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

(b) Effective Subsequent to 2021 but not Adopted Early

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

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

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

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

- PFRS 9 (Amendments), *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liabilities*

- Illustrative Examples Accompanying PFRS 16, *Leases – Lease Incentives*

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

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

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

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

(c) PIC Q&As Relevant to the Real Estate Industry in 2021

Discussed below and in the succeeding page are the PIC Q&As effective January 1, 2021 that are applicable to the Company, including the descriptions of their impact to the Company's financial statements.

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

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

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

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

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

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

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

The Company accounts for the cancellation of sales contract as modification of contract (see Note 2.10); hence, the adoption of this PIC Q&A will not have significant impact on the Company's financial statements.

2.3 Separate Financial Statements and Investment in Subsidiaries

These financial statements are prepared as the Company's separate financial statements. The Company also prepares consolidated financial statements as required under PFRS.

Subsidiaries are entities (including structured entities) over which the Company has control. The Company controls the entities when (i) it has power over the entities, (ii) it is exposed, or has rights to, variable returns from its involvement with the entities, and, (iii) it has the ability to affect those returns through its power over the entities.

The Company reassesses whether or not it controls the entities if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. The Company's investment in subsidiaries are accounted for in these separate financial statements at cost, less any impairment loss (see Note 2.12).

2.4 Financial Instruments

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

(a) Financial Assets

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

(i) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets are classified as Financial assets at amortized cost.

Financial Assets at Amortized Cost

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

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

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

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

The Company's financial assets at amortized cost are presented in the statement of financial position as Cash, Contract Receivable (except Advances to contractors and others, and advances to employees) and Due from Related Parties.

For purposes of cash flows reporting and presentation, cash generally include cash on hand, and demand deposits which are subject to insignificant risk of changes in value.

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

Any dividends earned on holding equity instruments are recognized in profit or loss as part of Finance income under Other Income (Charges) account, when the Company's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and, clearly represent recovery of a part of the cost of investment.

The Company calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets, except for those that are subsequently identified as credit-impaired and or are purchased or originated credit-impaired assets.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the asset subsequently improves.

Interest income earned is recognized in the statement of comprehensive income as part of Finance income under Other Income (Charges) account.

(ii) *Impairment of Financial Assets*

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

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all contract and other receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Company also assesses impairment of contract receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due (see Note 24.2).

The Company determines whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life of the financial asset between the reporting date and the date of the initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that may indicate an actual or expected deterioration of the credit quality of the financial assets.

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

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

- *Loss given default* – it is an estimate of loss related to the amount that may not be recovered after the default occurs. It is based on the difference between the contractual cash flows due in accordance with the terms of the instrument and all the cash flows that the Company expects to receive. For trade receivables, this include cash flows from resale of repossessed real estate properties, net of direct costs of obtaining and selling the properties such as commission, refurbishment, and refund payment under Republic Act (RA) 6552, *Realty Installment Buyer Protection Act* or Maceda law.

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

The Company recognizes an impairment loss in profit or loss for all financial instruments subjected to impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account.

(iii) Derecognition of Financial Assets

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

(b) Financial Liabilities

Financial liabilities, which include Interest-bearing Loans, Trade and Other Payables [except output value-added tax (VAT) and other tax-related payables], Rawlands Payable, Reserve for Perpetual Care and Subscription Payable, are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss as part of Finance Costs in the statement of comprehensive income. Reserve for Perpetual Care is recognized upon sale of memorial lots to customers. It represents a portion of the contract price, as indicated in the price list, which depends upon the type of lot and location.

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

Trade and Other Payables, Rawlands Payable and Reserve for Perpetual Care are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for those with maturities beyond one year, less settlement payments.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the Company's BOD.

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

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

(c) *Offsetting Financial Instruments*

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

2.5 Memorial Lot Inventories

Memorial lots inventories consist of the acquisition cost of the land (including individual acquisition costs), actual development and construction costs, and other necessary costs incurred in bringing the memorial lots ready for sale. In determining the cost of memorial lot available for sale, the Company identifies the specific cost incurred for each park location and subsequently allocates such cost based on the number of developed lots in different phases comprising the whole park area.

Memorial lots inventories are carried at the lower of cost and net realizable value. Considering the pricing policies of the Company, cost is considerably lower than the net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.6 Other Current Assets

Other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

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

2.7 Property and Equipment

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

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

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

Building	15 years
Service vehicle	5 years
Service equipment	3-5 years
Park maintenance tools and equipment	3-5 years
Chapel and office furniture, fixtures and equipment	3-5 years
System development cost	3-5 years

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.12).

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

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

2.8 Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less any impairment in value (see Note 2.12).

Transfers to memorial lots inventories are made from investment properties when and only when, there is a change in use, evidenced by commencement of development with a view to sell.

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

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

2.9 Provisions and Contingencies

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

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

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

2.10 Revenue and Expense Recognition

Revenue comprises revenue from real estate sales and rendering of chapel services measured by reference to the fair value of consideration received or receivable by the Company for goods sold and services rendered, excluding VAT and trade discounts. To determine whether to recognize revenue, the Company follows a five-step process:

1. identifying the contract with a customer;
2. identifying the performance obligation;
3. determining the transaction price;
4. allocating the transaction price to the performance obligations; and,
5. recognizing revenue when/as performance obligations are satisfied.

The Company determines whether a contract with customer exists by evaluating whether the following gating criteria are present:

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

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

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

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

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

The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control over the goods or services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied. The Company accounts for cancellation of sales contract as modification of contract, accordingly, previously recognized revenue and related costs are reversed at the time of cancellation.

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

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

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

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from sales is used by the Company.

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

Costs and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs, if any, which are included as part of the cost of the related qualifying asset (see Note 2.14).

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

2.11 Leases - Company as Lessee

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

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

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

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

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability in the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequently, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist (see Note 2.12).

On the other hand, the Company measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable, if any, variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options (either renewal or termination) reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

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

2.12 Impairment of Non-financial Assets

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

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

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

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

2.13 Employee Benefits

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

(a) Post-employment Defined Benefit Plan

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Company, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Company's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, non-contributory and administered by a trustee.

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

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

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

(b) Post-employment Defined Contribution Plan Post-employment Defined Contribution Plan

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

(c) Compensated Absences

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

2.14 Borrowing Costs

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

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

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

2.15 Income Taxes

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

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

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

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

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

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

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

2.16 Equity

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

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

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

Retained earnings, both restricted and available for dividend declaration, include all current and prior period results of operations as reported in the profit or loss section of the statement of comprehensive income, reduced by any amounts of dividends declared.

2.17 Related Party Relationships and Transactions

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

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

Transactions amounting to 10% or more of the total assets based on the latest audited financial statements that were entered into with related parties are considered material under SEC Memorandum Circular No. 10, Series of 2009, *Rules on Material Related Party Transactions for Publicly-listed Companies*.

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

Directors with personal interest in the transaction should abstain from participating in the discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.

2.18 Earnings per Share

Basic earnings per share (EPS) is determined by dividing the net profit for the year attributable to common shareholders by the weighted average number of common shares issued and outstanding during the period (see Note 22).

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of potential dilutive shares (see Note 22).

2.19 Events After the End of the Reporting Period

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determining Existence of a Contract with Customer

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

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

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

(i) Real Estate Sales

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

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

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

(ii) Income from Chapel Services and Interment

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

(c) Determination of Collection Threshold for Revenue Recognition

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

(d) Determination of ECL on Contracts and Other Receivables and Due from Related Parties

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

The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's trade and other receivables are disclosed in Note 24.2.

In relation to advances to related parties, PFRS 9 notes that the maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded.

Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Company's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Company cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

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

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

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

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

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

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

(g) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.9, and relevant disclosures are presented in Note 23.

3.2 Key Sources of Estimation Uncertainty

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

(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Company measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Company's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(b) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 24.2.

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

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

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

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment and right-of-use assets are analyzed in Notes 8 and 9, respectively. Based on management's assessment as at December 31, 2021 and 2020, there is no change in the estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned.

(e) Fair Value Measurement of Investment Property

The Company's investment property composed of land are carried at cost at the end of the reporting period. In addition, the accounting standards require the disclosure of the fair value of the investment properties. In determining the fair value of these assets, the Company engages the services of professional and independent appraiser applying the relevant valuation methodologies as discussed in Note 26.2.

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

(f) *Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets (offset against deferred tax liabilities) recognized as at December 31, 2021 and 2020 will be fully utilized in the coming years (see Note 18).

(g) *Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.12). Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

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

(h) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Company's obligation and cost of post-employment defined benefit plan is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 2.13 and include, among others, discount rates and salary increase rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment defined benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 20.2.

4. CASH

Cash include the following components as of December 31:

	2021	2020
Cash on hand	**P 7,622,554**	P 5,847,339
Cash in banks	**270,884,978**	256,529,867
	P 278,507,532	P 262,377,206

Cash in banks generally earn interest based on daily bank deposit rates. The total interest income earned amounted to P0.4 million, P1.7 million and P1.2 million in 2021, 2020 and 2019, respectively, and is presented as part of Finance Income under Other Income (Charges) in the statements of comprehensive income.

5. CONTRACTS AND OTHER RECEIVABLES

5.1 Contracts Receivable

This account is composed of the following:

	2021	2020
Current	**P 1,704,582,546**	P 1,561,887,429
Non-current	**1,142,017,022**	1,568,081,197
	P 2,846,599,568	P 3,129,968,626

Contracts receivable with maximum term of six years have an annual effective interest rates of 6.00% to 12.00% in years 2021, 2020 and 2019. Interest income related to this account of P61.0 million, P52.8 million and P61.1 million in 2021, 2020, and 2019, respectively, are reported under Revenues section in the statements of comprehensive income.

All of the Company's contracts receivable have been reviewed for indicators of impairment. However, no receivables were found to be impaired (see Note 24.2).

The Company's contracts receivables are effectively collateralized by the memorial lots sold to the buyers considering that the title over the right in the memorial lots will only be transferred upon full payment.

5.2 Other Receivables

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

	2021	2020
Advances to contractors and others	**P 85,980,572**	P 84,176,339
Receivable from other services	**54,339,563**	57,311,308
	P 140,320,135	P 141,487,647

Other receivables comprise mostly advances to suppliers for construction and development projects and short-term, and non-interest bearing advances to employees which are collected either through salary deduction or cash.

All of the Company's other receivables have been reviewed for indicators of impairment. However, no receivables were found to be impaired as of December 31, 2021 and 2020 (see Note 24.2).

6. MEMORIAL LOT INVENTORIES – Net

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

6.1 Memorial Lots

Cost of memorial lots consists of:

	Note	2021	2020
Cost of land		**P 707,751,430**	P 815,398,807
Construction and development cost		**720,783,938**	526,066,326
	6.2	**P1,428,535,368**	P1,341,465,133

6.2 Cost of Memorial Lots Sold

The details of cost of memorial lots sold are shown below.

	Notes	2021	2020	2019
Memorial lot inventories at beginning of year-net		**P 1,341,465,133**	P 1,231,755,435	P 480,229,995
Additions and lot improvements		**409,332,275**	477,719,759	1,327,449,821
Memorial lot inventories at end of year-net	6.1	**(1,428,535,368)**	(1,341,465,133)	(1,231,755,435)
	16.1	**P 322,262,040**	P 368,010,061	P 575,924,381

7. INVESTMENT IN SUBSIDIARIES

The investments in subsidiaries as of December 31, 2021 and 2020 consist of the following:

	% Interest Held	
BRIA	99.99%	**P 3,014,027,483**
GHMPI	99.99%	**39,997,997**
		P 3,054,025,480

7.1 Investment in Bria Homes, Inc.

In 2017, the Company acquired substantially all issued and outstanding capital stock of BHI, which is legally and/or beneficially owned by Cambridge Group, Inc. The Company acquired 9,999,430 common shares for P301.42 per share or an aggregate purchase price of P3,014.0 million or 99.99% of the outstanding and issued shares of BHI. The investment was carried in these separate financial statements at cost and is presented as part of Investment in Subsidiaries in statements of financial position.

7.2 Investment in Golden Haven Memorial Parks, Inc.

In 2020, the Company subscribed to 39,997,997 common shares of GHMPI for P1.00 par value per share amounting to a total purchase price of P40 million. GHMPI was incorporated on August 24, 2020 and will administer operations of future branch expansions of the Company. The investment was carried in these separate financial statements at cost and is presented as part of Investment in Subsidiaries in the statements of financial position. Also, the unpaid portion of the subscribed shares were presented as Subscription Payable in the statements of financial position. There was no similar transaction in 2021.

Management determined that the carrying amount of investment in BHI and GHMPI as of December 31, 2021 and 2020 is fully recoverable, thus, no impairment loss was recognized during those years in the statements of comprehensive income.

No dividends were declared by both subsidiaries in 2021 and 2020.

8. PROPERTY AND EQUIPMENT - Net

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

	Leasehold Improvements	Service Vehicle	Service Equipment	Park Maintenance Tools and Equipment	Chapel and Office Furniture Fixtures and Equipment	System Development Cost	Building	Total
December 31, 2021								
Cost	P 24,640,454	P 73,250,668	P 20,104,218	P 41,348,375	P 97,093,658	P 24,348,579	P 208,838,038	P 489,623,990
Accumulated depreciation and amortization	(18,902,546)	(61,523,100)	(18,680,680)	(34,352,977)	(78,129,225)	(13,761,230)	(67,399,523)	(292,749,281)
Net carrying amount	**P 5,737,908**	**P 11,727,568**	**P 1,423,538**	**P 6,995,398**	**P 18,964,433**	**P 10,587,349**	**P 141,438,515**	**P 196,874,709**
December 31, 2020								
Cost	P 23,494,854	P 70,962,113	P 17,360,616	P 37,663,676	P 92,238,162	P 19,697,690	P 206,071,515	P 467,488,626
Accumulated depreciation and amortization	(15,360,397)	(53,594,143)	(14,454,230)	(30,618,706)	(65,709,593)	(10,078,342)	(51,832,445)	(241,647,856)
Net carrying amount	P 8,134,457	P 17,367,970	P 2,906,386	P 7,044,970	P 26,528,569	P 9,619,348	P 154,239,070	P 225,840,770
January 1, 2020								
Cost	P 19,292,634	P 70,962,113	P 16,605,141	P 33,528,808	P 84,771,840	P 18,809,565	P 204,591,311	P 448,561,412
Accumulated depreciation and amortization	(12,589,724)	(44,458,301)	(12,392,682)	(26,700,658)	(49,500,532)	(6,518,050)	(36,421,012)	(188,580,959)
Net carrying amount	P 6,702,910	P 26,503,812	P 4,212,459	P 6,828,150	P 35,271,308	P 12,291,515	P 168,170,299	P 259,980,453

The amount of depreciation and amortization is presented as part of Cost of Chapel Services under Cost of Sales and Services and in Other Operating Expenses in the statements of comprehensive income (see Note 16). Depreciation expense of park maintenance tools and portion of service equipment were charged under park operations, which is subsequently closed to perpetual care fund (see Note 14).

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

	Leasehold Improvements	Service Vehicle	Service Equipment	Park Maintenance Tools and Equipment	Chapel and Office Furniture Fixtures and Equipment	System Development Cost	Building	Total
Balance at January 1, 2021, net of accumulated depreciation and amortization	P 8,134,457	P 17,367,970	P 2,906,386	P 7,044,970	P 26,528,569	P 9,619,348	P 154,239,070	P 225,840,770
Additions	1,145,600	2,288,555	2,743,602	3,684,699	4,855,496	4,650,889	2,766,523	22,135,364
Depreciation and amortization charges for the year	(3,542,149)	(7,928,957)	(4,226,450)	(3,734,271)	(12,419,632)	(3,682,888)	(15,567,078)	(51,101,425)
Balance at December 31, 2021, net of accumulated depreciation and amortization	**P 5,737,908**	**P 11,727,568**	**P 1,423,538**	**P 6,995,398**	**P 18,964,433**	**P 10,587,349**	**P 141,438,515**	**P 196,874,709**
Balance at January 1, 2020, net of accumulateddepreciation and amortization	P 6,702,910	P 26,503,812	P 4,212,459	P 6,828,150	P 35,271,308	P 12,291,515	P 168,170,299	P 259,980,453
Additions	4,202,220	-	755,475	4,134,868	7,466,322	888,125	1,480,204	18,927,214
Depreciation and amortization charges for the year	(2,770,673)	(9,135,842)	(2,061,548)	(3,918,048)	(16,209,061)	(3,560,292)	(15,411,433)	(53,066,897)
Balance at December 31, 2020, net of accumulated depreciation and amortization	P 8,134,457	P 17,367,970	P 2,906,386	P 7,044,970	P 26,528,569	P 9,619,348	P 154,239,070	P 225,840,770
Balance at January 1, 2019, net of accumulated depreciation and amortization	P 6,725,243	P 26,211,271	P 2,694,869	P 6,247,935	P 28,084,664	P 1,131,972	P 169,482,326	P 240,578,280
Additions	2,955,771	8,139,239	4,087,510	4,218,964	20,428,296	14,153,129	13,031,128	67,014,037
Depreciation and amortization charges for the year	(2,978,104)	(7,846,698)	(2,569,920)	(3,638,749)	(13,241,652)	(2,993,586)	(14,343,155)	(47,611,864)
Balance at December 31, 2019, net of accumulated depreciation and amortization	P 6,702,910	P 26,503,812	P 4,212,459	P 6,828,150	P 35,271,308	P 12,291,515	P 168,170,299	P 259,980,453

Certain fully depreciated assets with acquisition costs of P93.7 million and P71.1 million as of December 31, 2021 and 2020, respectively, are still being used in operations.

9. LEASES

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

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

The Company has leased thirteen (13) office spaces in 2021 and 2020 with an average remaining lease term of one year and three years, respectively.

9.1 Right-of-use Assets

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

	Note	**2021**	2020
Balance as of January 1		**P 14,329,498**	P 12,100,965
Additions		**1,860,092**	9,657,219
Pre-termination		**(740,537)**	-
Amortization	16.2	**(6,633,579)**	(7,428,686)
Balance as of December 31		**P 8,815,474**	P 14,329,498

In 2021, the Company pre-terminated a certain lease as mutually agreed with its lessor. Accordingly, the Company derecognized the remaining carrying amount of right-of-use asset and outstanding balance of lease liability amounting to P0.7 million and P0.8. million, respectively, as of pre-termination. The gain on lease cancellation amounting to P0.1 million is presented as part of Others under Other Income account in the 2021 statement of comprehensive income (see Note 17). There was no similar transaction in 2020 and 2019.

The total amortization on the right-of-use assets is presented as part of Depreciation and amortization under Other Operating Expense in the statements of comprehensive income (see Note 16.2).

9.2 Lease Liabilities

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

	2021	2020
Current	**P 4,863,176**	P 5,954,451
Non-current	**4,840,863**	8,875,189
	P 9,704,039	P 14,829,640

The use of extension and termination options gives the Company added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Company's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost. In 2021, the Company has terminated a certain lease (see Note 9.1). There was no similar transaction in 2020 and 2019.

As of December 31, 2021 and 2020, the Company has no lease commitment which had not yet commenced.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at December 31 is as follows:

	Within 1 year	**1 to 2 years**	**2 to 5 years**	**Total**
December 31, 2021				
Lease payments	P 5,446,468	P 3,433,365	P 1,746,272	P 10,626,105
Finance charges	(583,292)	(270,644)	(68,130)	(922,066)
Net present values	**P 4,863,176**	**P 3,162,721**	**P 1,678,142**	**P 9,704,039**
December 31, 2020				
Lease payments	P 6,992,140	P 4,983,583	P 4,786,158	P 16,761,881
Finance charges	(1,037,689)	(560,637)	(333,915)	(1,932,241)
Net present values	P 5,954,451	P 4,422,946	P 4,452,243	P 14,829,640

9.3 Lease Payments Not Recognized as Liabilities

The Company has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to short-term leases in 2021, 2020 and 2019 amounted to P1.7 million, P2.8 million and P2.8 million, respectively and are presented as Rentals as part of Other Operating Expense in the statements of comprehensive income (see Note 16.2). There are no existing lease commitments for short-term leases.

9.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of long-term leases amounted to P7.1 million, P7.9 million and P6.5 million in 2021, 2020 and 2019, respectively. The total cash outflow in respect of short-term leases amounted to P1.7 million, P2.8 million and P2.8 million in 2021, 2020 and 2019, respectively. Interest expense in relation to lease liabilities amounted to P1.0 million, P1.4 million and P1.0 million in 2021, 2020, and 2019, respectively. This is presented as part of Finance Costs under Other Income (Charges) in the statements of comprehensive income.

9.5 Security Deposits

Refundable security deposits represent the lease deposits made to third parties for the lease of the Company's office spaces.

Related rental deposits for these leases amounted to P6.3 million and P6.2 million as of December 31, 2021 and 2020, respectively, and are presented as Security deposits under Other Current Assets in the statements of financial position (see Note 11).

10. INVESTMENT PROPERTIES

The Company's investment properties consist of land with carrying amounts amounting P5.5 million as of December 31, 2021 and 2020.

None of the Company's investment properties have generated rental income. There was also no significant directly attributable cost, purchase commitments and any restrictions as to use related to these investment properties during the reporting periods (see Note 26.2).

11. OTHER CURRENT ASSETS

This account consists of the following as of December 31:

	Note	**2021**	2020
Prepaid expenses		**P 10,939,200**	P 10,201,574
Security deposits	9.5	**6,325,085**	6,161,818
Deferred input VAT		**3,931,881**	2,875,775
Memorial chapel inventories		**2,944,724**	3,353,039
Other assets		**1,277,787**	1,334,098
		P 25,418,677	P 23,926,304

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

12. INTEREST-BEARING LOANS

In 2020 and 2019, the Company obtained loans amounting to P51.4 million and P66.0 million, respectively, for raw land expansion and property, plant and equipment acquisition payable within two years, with annual effective interest rates of 8.6% to 9.0%. The related loan agreements do not contain loan covenant provisions. There was no similar transaction in 2021.

The outstanding balance of these loans as of December 31, 2021 and 2020 amounted to P5.2 million and P37.3 million, respectively, and are presented as Interest-bearing Loans account in the current and non-current liabilities section in the statements of financial position.

Interest expense pertaining to these loans amounted to P2.0 million, P10.0 million and P39.5 million in 2021, 2020 and 2019, respectively, are shown as part of Finance Costs under Other Income (Charges) account in the statements of comprehensive income. There are no outstanding interest payable as of December 31, 2021 and 2020 related to these loans.

The reconciliation of the Company's interest-bearing loans as follows:

	Note	2021	2020
Balance as of January 1		**P 37,268,706**	P 552,517,351
Cash flows from financing activities:			
Additional borrowings		**-**	51,352,400
Repayments of borrowings	28	**(32,041,517)**	(566,601,045)
Balance as of December 31		**P 5,227,189**	P 37,268,706

Short-term and long-term interest-bearing loans and borrowings pertain to bank loans which are broken down as follows:

	2021	2020
Current	**P 5,124,436**	P 32,093,515
Non-current	**102,753**	5,175,191
	P 5,227,189	P 37,268,706

13. TRADE AND OTHER PAYABLES AND RAWLANDS PAYABLE

13.1 Trade and Other Payables

This account consists of:

	Note	2021	2020
Due to affiliates	19.2	**P 267,808,653**	P 482,636,857
Deferred output tax		**251,648,257**	296,084,381
Accounts payable		**172,327,830**	201,830,707
Retention payable		**24,705,607**	22,282,686
VAT payable		**6,816,945**	6,422,925
Withholding taxes payable		**1,177,982**	2,444,373
Other payables		**828,972**	382,642
		P 725,314,246	P1,012,084,571

Deferred output tax is the portion of VAT attributable to outstanding contract receivables. This is reversed upon payment of monthly amortization from customers.

13.2 Rawlands Payable

In 2020, the Company purchased various rawlands for expansion amounting to P104.9 million (nil in 2021). The outstanding balance arising from these transactions amounted to P222.7 million and P309.5 million as of December 31, 2021 and 2020, respectively.

14. RESERVE FOR PERPETUAL CARE

Under the terms of the contract between the Company and the purchasers of memorial lots, a portion of the amount paid by the purchasers is set aside as Perpetual Care Fund (Trust Fund). The balance of the reserve for perpetual care for memorial lots as of December 31, 2021 and 2020 amounting to P872.4 million and P827.8 million, respectively, represents the total amount of perpetual care from all outstanding sales contracts, net of amount already remitted for fully collected memorial lots into the Trust Fund amounting to P133.4 million and P129.3 million as of December 31, 2021 and 2020, respectively.

As an industry practice, the amount to be turned over to the Trust Fund is only for fully collected contracts in as much as the outstanding contracts may still be forfeited and/or rescinded. The income earned from the Trust Fund will be used in the perpetual care and maintenance of the memorial lots. Once placed in the Trust Fund, the assets, liabilities, income and expense of the Trust Fund are considered distinct and separate from the assets and liabilities of the Company, thus, do not form part of the accounts of the Company.

The details of the Trust Fund as of December 31, 2021 and 2020 are shown below.

	2021	2020
Assets:		
Cash	**P 855**	P 853
Investment in unit investment trust funds	**4,872,947**	326,560
Investment in other securities and debt instruments	**2,737,849**	3,757,932
Loans and receivables	**23,392**	31,187
Investment in mutual funds	**125,796,531**	125,316,392
	133,431,574	129,432,924
Liability –		
Accrued trust fees and other expenses	**(4,678)**	(156,237)
	P 133,426,896	P 129,276,687

15. REVENUES

15.1 Disaggregation of Real Estate Sales

The Company's real estate sales are generated from following major product lines and geographical regions:

	2021	2020	2019
Luzon	**P 354,061,080**	P 461,985,781	P 576,327,394
Visayas	**154,669,974**	227,985,247	327,307,230
Mindanao	**207,465,879**	131,195,052	434,400,444
	P 716,196,933	P 821,166,080	P 1,338,035,068

15.2 Disaggregation of Other Revenues

The Company's other revenues, which includes interment income and income from chapel services, are generated from the following geographical regions:

	Interment Income	**Income from Chapel services**	**Total**
2021			
Luzon	P 34,712,444	P 34,235,904	**P 68,948,348**
Visayas	10,942,519	-	**10,942,519**
Mindanao	29,791,611	-	**29,791,611**
	P 75,446,574	**P 34,235,904**	**P 109,682,478**

	Interment Income		Income from Chapel services		Total	
2020						
Luzon	P	22,387,489	P	24,183,914	P	46,571,403
Visayas		16,717,413		-		16,717,413
Mindanao		7,905,164		-		7,905,164
	P	47,010,066	P	24,183,914	P	71,193,980
2019						
Luzon	P	20,624,570	P	41,889,569	P	62,514,139
Visayas		7,042,062		-		7,042,062
Mindanao		11,230,422		-		11,230,422
	P	38,897,054	P	41,889,569	P	80,786,623

16. COSTS AND EXPENSES

16.1 Costs of Sales and Services

Presented below are the details of costs of sale and services.

	Notes		**2021**		2020		2019
Cost of memorial lots sold	6.2	**P**	**322,262,040**	P	368,010,061	P	575,924,381
Cost of interment			**24,803,872**		16,495,669		16,914,465
Cost of chapel services	8		**14,125,454**		11,535,529		15,532,653
		P	**361,191,366**	P	396,041,259	P	608,371,499

Cost of memorial lots sold is comprised of:

		2021		2020		2019
Construction and development cost	**P**	**87,294,166**	P	86,055,275	P	442,530,341
Cost of land		**234,967,874**		281,954,786		133,394,040
	P	**322,262,040**	P	368,010,061	P	575,924,381

16.2 Other Operating Expenses

The details of other operating expenses are shown below.

	Notes	2021	2020	2019
Salaries and employee benefits	20.1	**P 108,443,196**	P 108,404,766	P 110,568,531
Commission		**64,656,542**	66,010,700	102,615,470
Depreciation and amortization	8, 9.1	**46,263,054**	50,388,213	44,543,243
Prompt payment discount		**24,928,230**	17,089,725	19,915,150
Outside services		**19,314,773**	21,720,689	26,534,631
Promotion		**14,436,773**	14,949,027	29,261,361
Utilities		**9,976,941**	8,883,543	9,718,230
Professional fees		**8,084,190**	7,493,365	7,406,828
Insurance		**7,970,797**	7,899,365	9,370,359
Repairs and maintenance		**7,888,350**	8,052,524	5,967,923
Transportation and travel		**7,727,356**	6,766,469	7,990,618
Collection fees		**6,838,814**	6,203,980	12,012,592
Advertising		**6,055,637**	6,848,482	13,138,699
Management fees		**6,000,000**	1,200,000	1,800,000
Taxes and licenses		**4,653,020**	16,223,225	25,609,387
Representation		**4,428,623**	4,483,640	4,045,643
Office supplies		**3,590,993**	4,340,169	4,663,436
Meetings and conferences		**3,042,851**	2,686,445	8,277,478
Rentals	9.3	**1,701,019**	2,770,994	2,761,880
Trainings and seminars		**733,620**	2,638,133	9,880,424
Miscellaneous		**13,395,613**	10,804,253	9,916,974
		P 370,130,392	P 375,857,707	P 465,998,857

Miscellaneous mainly consist of subscription dues and other fees such as registration, transfer and mortgage fees.

17. OTHER INCOME

This account consists of:

	Note	2021	2020	2019
Forfeited sales		**P 29,574,533**	P 22,123,250	P 42,457,766
Interest on past due accounts		**8,079,169**	5,646,599	6,566,346
Transfer fees		**2,327,131**	3,835,934	5,670,956
Service tent rentals		**484,373**	1,794,836	1,108,441
Others	9.1	**8,826,334**	4,770,667	2,094,125
		P 49,291,540	P 38,171,286	P 57,897,634

Others include gain on lease cancellation, penalties from customers with lapsed payments, restructured accounts, and other fees collected for transactions incidental to the Company's operations such as payment for passbooks, memorial garden construction fee, among others.

18. TAXES

On March 26, 2021, Republic Act (R.A.) No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and was effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Company:

- regular corporate income tax (RCIT) rate was reduced from 30% to 25% starting July 1, 2020;
- minimum corporate income tax (MCIT) rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,
- the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

As a result of the application of the lower RCIT rate of 25% starting July 1, 2020, the current income tax expense and income tax payable, as presented in the 2020 annual income tax return of the Company, was lower by P3.7 million than the amount presented in the 2020 financial statements and such amount was charged to 2021 profit or loss.

In 2021, the recognized net deferred tax assets as of December 31, 2020 was remeasured to 25%. This resulted in a decline in the recognized net deferred tax liabilities in 2020 by P91.6 million and such was recognized in the 2021 profit or loss (P91.8 million income) and in other comprehensive loss (income) (P0.2 million loss).

The components of tax expense (income) reported in profit or loss and in other comprehensive loss (income) for the years ended December 31 is presented in the succeeding page.

	2021	2020	2019
Reported in profit or loss:			
Current tax expense:			
RCIT at 25% in 2021 and 30% in 2020 and 2019	**P 38,743,409**	P 43,822,683	P 51,446,601
Adjustment in 2020 income taxes due to change in income tax rate	**(3,682,468)**	-	-
Final tax at 20% and 7.5%	**73,923**	342,137	246,585
	35,134,864	44,164,820	51,693,186
Deferred tax expense (income) arising from:			
Origination and reversal of temporary differences	**12,709,933**	17,309,332	76,590,487
Effect of the change in income tax rate	**(91,758,825)**	-	-
	(79,048,892)	17,309,332	76,590,487
	(P 43,914,028)	P 61,474,152	P 128,283,673
Reported in other comprehensive income (loss):			
Deferred tax expense (income) arising from:			
Origination and reversal of temporary differences	**(P 174,339)**	P 1,691,160	(P 1,198,168)
Effect of the change in income tax rate	**162,701**	-	-
	(P 11,638)	P 1,691,160	(P 1,198,168)

The reconciliation of tax on pretax profit computed at the applicable statutory rate to tax expense (income) is as follows:

	2021	2020	2019
Tax on pretax profit at 25% in 2021 and 30% in 2020 and 2019	**P 50,437,133**	P 60,412,749	P 126,722,666
Effect of the change in income tax rate	**(95,441,293)**	-	-
Adjustment for income subjected to lower tax rate	**(18,481)**	(171,067)	(123,293)
Tax effect of non-deductible expenses	**1,108,613**	1,232,470	1,684,300
	(P 43,914,028)	P 61,474,152	P 128,283,673

The net deferred tax liabilities recognized in the statements of financial position as of December 31, 2021 and 2020 relate to the following:

	2021	2020
Unrealized gross profit	**P 472,799,613**	P 551,546,407
Retirement benefit obligation	**(1,638,634)**	(1,317,951)
Leases	**(592,379)**	(537,945)
Unamortized past service costs	**(52,379)**	(113,760)
Deferred Tax Liabilities – net	**P 470,516,221**	P 549,576,751

The deferred tax income (expense) recognized in the statements of comprehensive income for December 31 relate to the following:

	Profit or Loss			**Other Comprehensive Income**		
	2021	2020	2019	**2021**	2020	2019
Unrealized gross profit	**P 78,746,794**	(P 18,065,510)	(P 77,129,000)	**P -**	P -	P -
Retirement benefit obligation	**309,045**	521,400	337,156	**11,638**	(1,691,160)	1,198,168
Leases	**54,434**	285,683	252,262	**-**	-	-
Unamortized past service cost	**(61,381)**	(50,905)	(50,905)	**-**	-	-
Deferred tax income (expense)	**P 79,048,892**	(P 17,309,332)	(P 76,590,487)	**P 11,638**	(P 1,691,160)	P 1,198,168

In 2021, 2020 and 2019, the Company is subject to MCIT, which is computed at 1%, 2% and 2%, respectively, of gross income as defined under the tax regulations, or RCIT, whichever is higher. No MCIT was reported in 2021, 2020 and 2019 as the RCIT was higher in those years.

In 2021, 2020 and 2019, the Company claimed itemized deductions in computing for its income tax due.

19. RELATED PARTY TRANSACTIONS

The significant transactions of the Company in the normal course of business with its related parties are described below and in the succeeding pages.

Related Party Category	Notes	**Amount of Transactions** **2021**	2020	2019	**Outstanding Balances** **2021**	2020
Parent company:						
Advances collected	19.1	**(P 1,035,144)**	(P 3,695,373)	(P 291,873)	**P 1,251,422**	P 2,286,566
Related Parties Under Common Ownership:						
Advances collected	19.1	**41,431,550**	6,829,891	-	**50,261,441**	8,829,891
Advances obtained (paid)	19.2	**214,828,204**	471,498,599	-	**(267,808,653)**	(482,636,857)
Key Management Personnel –						
Compensation	19.3	**24,887,713**	24,391,072	24,625,053	**-**	-

None of the Company's outstanding balances with related parties was assessed to be impaired; hence, no impairment losses were recognized in the years presented (see Note 24.2).

19.1 Due from Related Parties

The Company grants unsecured, noninterest-bearing advances to its Parent Company and related parties under common ownership, which are payable in cash upon demand.

The outstanding advances arising from these transactions amounting to P51.5 million and P11.1 million as at December 31, 2021 and 2020, respectively, is presented as Due from Related Parties account in the statements of financial position.

The movements in due from parent company are shown below.

	2021	2020	2019
Balance at beginning of year	**P 2,286,566**	P 5,981,939	P 6,273,812
Collections	**(1,035,124)**	(3,695,373)	(291,873)
Balance at end of year	**P 1,251,422**	P 2,286,566	P 5,981,939

The movements in due from related parties under common ownership are shown below.

	2021	2020	2019
Balance at beginning of year	**P 8,829,891**	P 2,000,000	P 2,000,000
Additions	**41,431,550**	6,829,891	-
Balance at end of year	**P 50,261,441**	P 8,829,891	P 2,000,000

19.2 Due to Affiliates

In 2015, the Company obtained short-term, unsecured, noninterest-bearing advances from related parties for working capital requirements payable in cash upon demand. The outstanding balance is presented as Due to affiliates under Trade and Other Payables account as at December 31, 2021 and 2020 (see Note 13). The movements in the Due to Affiliates account are shown below.

	2021	2020	2019
Balance at beginning of year	**P 482,636,857**	P 11,138,258	P 11,138,258
Payments	**(214,828,204)**	-	-
Additions	**-**	471,498,599	-
Balance at end of year	**P 267,808,653**	P 482,636,857	P 11,138,258

19.3 Key Management Personnel Compensation

The compensation of key management personnel for the years ended December 31 follows:

	2021	2020	2019
Short term benefits	**P 21,154,556**	P 20,732,411	P 20,931,295
Post-employment benefits	**3,733,157**	3,658,661	3,693,758
	P 24,887,713	P 24,391,072	P 24,625,053

19.4 Retirement Plan

The Company's retirement fund for its defined benefit post-employment plan is administered and managed by a trustee bank. The retirement fund neither provides any guarantee or surety for any obligation of the Company nor its investments covered by any restrictions or liens.

The details of the contributions of the Company and benefits paid out by the plan are presented in Note 20.2.

20. EMPLOYEE BENEFITS

20.1 Salaries and Employee Benefits

Details of salaries and employee benefits which are presented under Other Operating Expenses in the statements of comprehensive income is presented below.

	Notes	**2021**	2020	2019
Short-term employee benefits		**P 107,158,862**	P 107,099,634	P 109,679,604
Post-employment defined benefit	20.2	**1,284,334**	1,305,132	888,927
	16.2	**P 108,443,196**	P 108,404,766	P 110,568,531

20.2 Post-employment Defined Benefit Plan

(a) *Characteristics of the Post-Employment Defined Benefit Plan*

The Company maintains a funded, non-contributory post-employment benefit plan. The post-employment plan covers all regular full-time employees.

The Company's post-employment defined benefit plan is based solely on the requirement of Republic Act No. 7641, *Retirement Pay Law*. The optional retirement age is 60 with a minimum of five years of credited service. Normal retirement benefit is based on the employee's final salary and years of credited service.

(b) *Explanation of Amounts Presented in the Financial Statements*

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2021 and 2020.

The amounts of retirement obligation recognized in the statements of financial position are determined as follows:

	2021	2020
Present value of the obligation	**P 15,703,937**	P 13,238,985
Fair value of plan assets	**(9,149,411)**	(8,845,827)
	P 6,554,526	P 4,393,158

The movements in the present value of defined benefit obligation recognized in the books are presented as follows:

	2021	2020
Balance at beginning of year	**P 13,238,985**	P 17,508,182
Current service cost	**1,284,334**	1,305,132
Interest expense	**541,474**	913,927
Actuarial losses (gains) arising from:		
Experienced adjustments	**3,810,178**	(8,921,039)
Changes in financial assumptions	**(3,171,034)**	2,432,783
Balance at end of year	**P 15,703,937**	P 13,238,985

The movements in the fair value of plan assets are presented below.

	2021	2020
Balance at beginning of year	**P 8,845,827**	P 9,215,818
Interest income	**361,794**	481,066
Negative return on plan assets	**(58,210)**	(851,057)
Balance at end of year	**P 9,149,411**	P 8,845,827

The Company's plan assets are composed of mutual funds and special deposit accounts. The plan assets do not comprise any of the Company's own financial instruments or any of its assets occupied and/or used in its operations.

The plan assets earned a positive and negative net return amounting to P0.3 million and P0.4 million in 2021 and 2020, respectively.

The components of amounts recognized in profit or loss and in other comprehensive loss in respect of the post-employment defined benefit plan are as follows:

	2021	2020	2019
Reported in profit or loss:			
Current service cost	**P 1,284,334**	P 1,305,132	P 888,927
Interest expense – net	**179,680**	432,861	234,922
	P 1,464,014	P 1,737,993	P 1,123,849
Reported in other comprehensive income or losses:			
Actuarial gains (losses) arising from:			
Experience adjustments	**(P 3,810,178)**	P 8,921,039	(P 1,040,354)
Changes in financial assumptions	**3,171,034**	(P 2,432,783)	(P 3,695,541)
Changes in demographic assumptions	**-**	-	817,633
Losses on return on plan assets	**(58,210)**	(851,057)	(75,629)
	(P 697,354)	P 5,637,199	(P 3,993,891)

Current service cost are presented as part of Salaries and employee benefits under the Other Operating Expenses account in the statements of comprehensive income (see Note 16.2).

Net interest expense (income) is presented as part of Finance Costs or Finance Income under Other Income (Charges) in the statements of comprehensive income.

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss (see Note 21.2).

For the determination of the retirement benefit obligation, the following actuarial assumptions were used:

	2021	2020	2019
Discount rates	**5.19%**	4.09%	5.22%
Expected rate of salary increases	**5.0%**	5.0%	5.0%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is eight years for both male and female. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risk Associated with Retirement Plan

The plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in savings deposit accounts and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has only investments in mutual funds.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Company's timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding pages.

(i) Sensitivity Analysis

The following table summarizes the effect of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31, 2021 and 2020, respectively.

	Impact on Retirement Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
2021:			
Discount rate	**+6.19%/-4.19%**	**(P 13,357,795)**	**P 18,568,279**
Salary growth rate	**+6.0%/-4.0%**	**18,602,466**	**(13,291,952)**

	Impact on Retirement Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2020:			
Discount rate	+5.1%/-3.1%	(P 11,053,470)	P 15,950,415
Salary growth rate	+6.0%/-4.0%	15,951,312	(11,013,441)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the Company, through its Retirement Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to ensure that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in fixed interest financial assets, primarily in short term placements. The Company monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

The plan asset is currently composed of mutual funds and special deposit accounts as the Company believes that these investments are the best returns with an acceptable level of risk.

There has been no change in the Company's strategies to manage its risks from previous period.

(iii) Funding Arrangements and Expected Contributions

The plan is currently underfunded by P6.6 million as at year-end. While there is no minimum funding requirement in the Philippines, the size of the underfunding may pose a cash flow risk in about nine (9) years' time when the total expected benefit payments would have exhausted the assets currently in the fund.

The Company does not expect to contribute to the retirement fund in 2022.

The maturity profile of undiscounted expected benefit payment from the plan as of December 31, 2021 and 2020.

	2021	2020
More than 5 years to 10 years	**P 11,651,309**	P -
More than 10 years to 15 years	**7,384,507**	13,605,196
More than 15 years to 20 years	**18,945,677**	12,083,881
More than 20 years	**91,361,101**	81,977,108
	P 129,342,594	P 107,666,185

The weighted average duration of the defined benefit obligation at the end of the reporting period is 23.76 years.

21. EQUITY

21.1 Capital Stock

Capital stock in 2021 and 2020 consists of:

	Shares	Amount
Common shares		
Authorized		
Balance at beginning and end of year	996,000,000	P 996,000,000
Issued and outstanding		
Balance at beginning of year	644,117,649	P 644,117,649
Issuance during the year	-	-
Balance at end of year	644,117,649	P 644,117,649
Preferred shares		
Authorized		
Balance at beginning and end of year	400,000,000	P 4,000,000

On March 17, 2016, the SEC approved the increase in the Company's authorized capital stock from P20.0 million divided into 200,000 common shares with par value of P100 per share to P1.0 billion divided into 996,000,000 common shares with par value of P1 per share and 400,000,000 preferred shares with par value of P0.01 per share.

On April 1, 2016, the Company applied for the registration of its common shares with the SEC and the listing of the Company's shares on the PSE. The PSE approved the Company's application for the listing of its common shares on June 8, 2016 and the SEC approved the registration of the 74,117,649 common shares of the Company on June 14, 2016.

On June 29, 2016, by way of an initial public offering (IPO), sold 74,117,649 shares of its common stock at an offer price of P10.50 and generated net proceeds of approximately P703.0 million. In addition, the IPO resulted to the recognition of additional paid-in capital amounting to P628.9 million, after deducting transaction costs associated with the issuance of shares amounting to P75.2 million.

In 2017, the Company executed a Deed of Absolute Sale of Shares for 150,000,000 HVN common shares for its acquisition of substantially all issued and outstanding capital stock of BHI legally and/or beneficially owned by CGI at the purchase price of P20.1 per share or an aggregate purchase price of P3,014,027,483 payable in cash.

21.2 Revaluation Reserves

As of December 31, 2021 and 2020, the Company has accumulated actuarial losses, net of tax, due to remeasurement of post-employment defined benefit plan amounting to P3.0 million and P2.3 million, respectively (see Note 20.2).

22. EARNINGS PER SHARE

The basic and diluted EPS were computed as follows:

	2021	2020	2019
Net profit	**P 245,662,560**	P 139,901,678	P 294,125,213
Divided by the weighted number of outstanding common shares	**644,117,649**	644,117,649	644,117,649
Basic and diluted EPS	**P 0.38**	P 0.22	P 0.46

The Company has no dilutive potential common shares as at December 31, 2021, 2020, and 2019; hence, diluted EPS equals the basic EPS.

23. COMMITMENTS AND CONTINGENCIES

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

24. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The significant financial risks, unless otherwise stated, to which the Company is exposed to are described below and in the succeeding pages.

24.1 Interest Rate Risk

Currently, the Company has no material financial assets and financial liabilities with floating interest rates.

24.2 Credit Risk

The Company operates under sound credit-granting criteria wherein credit policies are in place. These policies include a thorough understanding of the customer or counterparty as well as the purpose and structure of credit and its source of repayment. Credit limits are set and monitored to avoid significant concentrations to credit risk. The Company also employs credit administration activities to ensure that all facets of credit are properly maintained.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the statements of financial position are summarized below.

	Notes	**2021**	2020
Cash	4	**P 278,507,532**	P 262,377,206
Contracts receivable	5.1	**2,846,599,568**	3,129,968,626
Due from related parties	19.1	**51,512,863**	11,116,457
Security deposits	11	**6,325,085**	6,161,818
Other receivables	5.2	**54,339,563**	57,311,308
		P3,237,284,611	P 3,466,935,415

Cash in banks are insured by the Philippine Deposit Insurance Commission up to a maximum coverage of P500,000 for every depositor per banking institution. Also, the Company's contracts receivable are effectively collateralized by memorial lots. Other financial assets are not secured by any collateral or other credit enhancements.

The Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all contract receivables and other receivables. To measure the expected credit losses, contract receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than contract receivables and have substantially the same risk characteristics as the contract receivables.

The expected loss rates are calculated based on the payment profiles of sales over a period of 36 months before December 31, 2021 and 2020, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The management determined that there is no required ECL to be recognized on the Company's contract receivables since the fair value of memorial lots sold when reacquired is sufficient to cover the unpaid outstanding balance of the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient. Accordingly, no additional allowance was recorded by the Company in both 2021 and 2020.

Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. The due from related parties are considered negligible since the counterparties are in good financial condition.

Security deposits are subject to credit risk. The Company's security deposits pertain to receivable from lessors and third party utility providers. Based on the reputation of those counterparties, management considers that these deposits will be refunded when due.

24.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits or short-term placements.

As at December 31, 2021 and 2020, the contractual maturities of the Company's financial liabilities are presented as follows:

		Current		**Non-current**	
	Notes	**Within 6 Months**	**6 to 12 Months**	**1 to 5 Years**	**Later than 5 Years**
2021					
Interest-bearing loans	12	P 5,159,848	P 105,387	P 151,715	P -
Trade and other payables	13.1	62,773,946	402,897,116	-	-
Rawlands payable	13.2	-	222,736,483	-	-
Reserve for perpetual care	14	-	-	872,382,648	-
Subscription payable	7	-	30,000,000	-	-
		P 67,933,794	**P655,738,986**	**P872,534,363**	**P -**

	Notes	Current: Within 6 Months	Current: 6 to 12 Months	Non-current: 1 to 5 Years	Non-current: Later than 5 Years
2020					
Interest-bearing loans	12	P 19,631,794	P 20,266,634	P 6,433,760	P -
Trade and other payables	13.1	95,323,772	611,809,120	-	-
Rawlands payable	13.2	-	309,509,135	-	-
Reserve for perpetual care	14	-	-	827,845,319	-
Subscription payable	7	-	30,000,000	-	-
		P114,955,566	**P971,584,889**	**P834,279,079**	**P -**

25. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

25.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below.

	Notes	2021 Carrying Values	2021 Fair Values	2020 Carrying Values	2020 Fair Values
Financial Assets					
At amortized cost:					
Cash	4	**P 278,507,532**	**P 278,507,532**	P 262,377,206	P 262,377,206
Contracts receivable	5.1	**2,846,599,568**	**3,241,388,740**	3,129,968,626	3,182,806,648
Due from related parties	19.1	**51,512,863**	**51,512,863**	11,116,457	11,116,457
Security deposits	11	**6,325,085**	**6,325,085**	6,161,818	6,161,818
Other receivables	5.2	**54,339,563**	**54,362,628**	57,311,308	57,311,308
		P 3,237,284,611	**P 3,632,096,848**	P 3,466,935,415	P 3,519,773,437
Financial Liabilities					
At amortized cost:					
Interest-bearing loans	12	**P 5,227,189**	**P 5,416,950**	P 37,268,706	P 46,332,188
Trade and other payables	13.1	**465,671,062**	**465,671,062**	707,132,892	707,132,892
Rawlands payable	13.2	**222,736,483**	**222,736,483**	309,509,135	309,509,135
Reserve for perpetual care	14	**872,382,648**	**872,382,648**	827,845,319	827,845,319
Subscription payable	7	**30,000,000**	**30,000,000**	30,000,000	30,000,000
		P 1,596,017,382	**P 1,596,207,143**	P 1,911,756,052	P 1,920,819,534

See Note 2.4 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 24.

25.2 Offsetting of Financial Assets and Financial Liabilities

Except as more fully described in Note 19, the Company has not set-off financial instruments in 2021 and 2020 and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Company's outstanding receivables from and payables to the same related parties as presented in Note 19 can be potentially offset to the extent of their corresponding outstanding balances.

The Company has cash in certain local banks to which it has outstanding loans (see Note 12). In case of the Company's default on loan amortization, cash in bank amounting to P270.9 million and P256.5 million can be applied against its outstanding loans amounting to P5.2 million and P37.3 million, respectively as of December 31, 2021 and 2020.

26. FAIR VALUE MEASUREMENT AND DISCLOSURE

26.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Except for Cash which is categorized at Level 1 of the fair value hierarchy, all other financial instruments are at categorized Level 3.

Management considers that due to short duration of the Company's financial assets, such as cash, due from related parties and security deposits, and financial liabilities, such as trade and other payables, rawlands payable and reserve for perpetual care measured at amortized costs, their fair values as of December 31, 2021 and 2020 approximates their carrying amounts.

26.2 Fair Value Measurement for Non-financial Assets

The Company's investment properties amounting to P5.5 million are categorized under Level 3 hierarchy of non-financial assets measured at cost as of December 31, 2021 and 2020.

The fair value of the Company's investment properties amounting to P245.3 million and P248.1 million as of December 31, 2021 and 2020 respectively, are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Company's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Company's non-financial assets indicated above is their current use.

The Level 3 fair value of land was determined based on the observable recent prices of the reference properties, adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

27. CAPITAL MANAGEMENTS OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position. Capital for the reporting periods under review is summarized as follows:

	2021	2020
Total liabilities	**P 2,515,674,312**	P 2,934,578,472
Total equity	**5,520,476,425**	5,275,499,581
Debt-to-equity ratio	**0.46:1.00**	0.56:1.00

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the supplemental information on the Company's liabilities arising from financing activities (see Notes 9, 12 and 19):

	Interest-bearing Loans	Due to Related Parties	Lease Liabilities	Total
Balance as at January 1, 2021	P 37,268,706	P 482,636,857	P 14,829,640	P 534,735,203
Cash flows from financing activities:				
Repayments	(32,041,517)	(214,828,204)	(7,085,629)	(253,955,350)
Non-cash financing activity:				
Interest expense on lease liabilities	-	-	1,028,417	1,028,417
Derecognition of lease liabilities	-	-	(799,611)	(799,611)
Additions to lease liabilities	-	-	1,731,222	1,731,222
Balance as at December 31, 2021	**P 5,227,189**	**P 267,808,653**	**P 9,704,039**	**P 282,739,881**
Balance as at January 1, 2020	P 552,517,351	P 11,138,258	P 12,108,845	P 575,764,454
Cash flows from financing activities:				
Additional borrowings	51,352,400	471,498,599	-	522,850,999
Repayments	(566,601,045)	-	(7,917,189)	(574,518,234)
Non-cash financing activity:				
Interest expense on lease liabilities	-	-	1,440,782	1,440,782
Additions to lease liabilities	-	-	9,197,202	9,197,202
Balance as at December 31, 2020	P 37,268,706	P 482,636,857	P 14,829,640	P 534,735,203
Balance as at January 1, 2019, as restated	P 502,667,558	P 11,138,258	P 17,610,893	P 531,416,709
Cash flows from financing activities:				
Additional borrowings	65,955,500	-	-	65,955,500
Repayments	(16,105,707)	-	(6,523,259)	(22,628,966)
Non-cash financing activity:				
Interest expense on lease liabilities	-	-	1,021,211	1,021,211
Balance as at December 31, 2019	P 552,517,351	P 11,138,258	P 12,108,845	P 575,764,454

29. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding pages is the supplementary information which is required by the BIR under Revenue Regulation No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

(a) Output VAT

In 2021, the Company declared output VAT of P96,740,966, from sale of goods amounting to P806,174,718.

The tax base for the mentioned account is based on the Company's gross receipts for the year. Hence, may not be the same as the amounts accrued in the 2021 statement of comprehensive income.

The outstanding output VAT payable amounting to P6,816,945 as of December 31, 2021 is presented as part of Trade and Other Payables account in the 2021 statement of financial position.

(b) Input VAT

The movements in input VAT in 2021 are summarized below.

Balance at beginning of year	P	-
Services lodged under cost of goods sold		19,252,558
Capital goods subject to amortization	(	397,087)
Tax credit		48,422,302
Applied against output VAT	(	67,277,773)
Balance at end of year	**P**	**-**

(c) Taxes on Importation

The Company has not paid or accrued any customs duties and tariff fees in 2021 as it had no importations for the year.

(d) Excise Tax

The Company did not have any transactions in 2021, which are subject to excise tax.

(e) (e) Documentary Stamp Tax

In 2021, the Company paid P0.01 million for documentary stamp taxes on for various transfer of titles [see Note 29(f)].

(f) Taxes and Licenses

The details of the account for 2021 is broken down as follows:

	Note		
Business taxes		P	4,103,074
Real property taxes			534,623
Documentary stamp taxes	29(e)		12,480
Miscellaneous			2,843
		P	**4,653,020**

(g) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2021 are shown below.

Expanded	P	9,740,103
Compensation		5,787,357
	P	**15,527,460**

The Company has no expenses subject to final withholding taxes.

(h) Tax Assessments and Tax Cases

As of December 31, 2021, the Company does not have any other final deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any open taxable years.