MACROASIA CORPORATION

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders' Meeting of MACROASIA CORPORATION will be conducted virtually through http://www.macroasiacorp.com/asm on Thursday, 11 May 2023, at 3:00 P.M.

The Agenda for the meeting is as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 12 May 2022
4. President's Report
5. Financial Report on Results of Operations for 2022
6. Approval of the Audited Financial Statements for the year ended 31 December 2022
7. Ratification of all Acts, Proceedings and Resolutions of the Board of Directors and Management since the Annual Stockholders' Meeting held on 12 May 2022 up to 11 May 2023
8. Election of Directors
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

Record Date. The Board of Directors has fixed 11 April 2023 as the record date for the determination of stockholders entitled to notice of, to participate and to vote at, the Annual Stockholders' Meeting.

Attendance and Pre-Registration. In order to safeguard the health and ensure the safety of our stockholders and stakeholders, stockholders may attend and participate in the meeting only by remote communication, and may vote either *in absentia* or by voting through the Chairman of the meeting as their proxy.

Stockholders who wish to participate in the meeting via remote communication and to vote *in absentia* should pre-register through http://www.macroasiacorp.com/asm by 2 May 2023.

Qualified pre-registered stockholders will be provided access to the live streaming of the meeting and can then cast their votes in absentia through the Company's secure online voting facility. All votes cast shall be subject to validation.

Proxies. The Company is not soliciting your proxies. Stockholders who wish to vote by proxy must submit their duly accomplished proxy forms through email to macasm@macroasiacorp.com not later than 26 April 2023.

Procedural Information. The procedure and requirements for participating in the meeting through remote communication, as well as voting *in absentia* or by proxy, are set forth in the Definitive Information Statement.

Queries. You may send your questions regarding the agenda items through http://www.macroasiacorp.com/asm or via email at macasm@macroasiacorp.com on or before 5 May 2023.

Electronic Copies of Relevant Documents. Pursuant to the SEC Notice dated 13 March 2023, electronic copies of the Company's Definitive Information Statement, Management Report, SEC Form 17-A, and other relevant documents are accessible through the Company's website at the following link http://www.macroasiacorp.com/asm.

Video and Audio Recording. Pursuant to SEC Memorandum Circular No. 6, Series of 2020, please be informed that there will be an audio and video recording of the meeting.

Makati City, 23 March 2023.

FLORENTINO M. HERRERA III
Corporate Secretary

Explanation and Rationale for Each Item in the Agenda

1. Call to Order

The Chairman of the Board of Directors, Dr. Lucio C. Tan, will call the meeting to order. Thereafter, the Chairman shall ask the President and Chief Operating Officer, Mr. Eduardo Luis T. Luy to preside over the meeting.

2. Certification of Notice and Quorum

The Corporate Secretary will certify the date when written notice of the meeting was published in two (2) newspapers of general circulation for two (2) consecutive days.

The Corporate Secretary will further certify to the presence of a quorum in the meeting. The number of the shares represented at the meeting shall be validated by PNB Trust, the stock transfer agent of the Corporation.

3. Approval of the Minutes of the Annual Stockholders' Meeting held on 12 May 2022

The Minutes of the Annual Stockholders' Meeting of the Corporation held on 12 May 2022 may be viewed at the Corporation's website, http://www.macroasiacorp.com/.

The affirmative vote of stockholders representing at least a majority of the outstanding capital stock of the Corporation present at the meeting shall be necessary to approve the Minutes of the Meeting.

4. President's Report

The President and Chief Operating Officer of the Corporation, Mr. Eduardo Luis T. Luy, will deliver the President's Report on the results of operations of the Corporation and its subsidiaries, together with the projected business outlook for 2023.

5. Financial Report on Results of Operations for 2022

The Corporation's Chief Financial Officer, Mr. Amador T. Sendin, will present the Financial Report for the year ended 31 December 2022.

6. Approval of the Annual Report and the Audited Financial Statements for the year ended 31 December 2022

The Audited Financial Statements of the Corporation, as audited by SGV & Company ("SGV") for the year ended 31 December 2022 will be contained in the Annual Report to be emailed to the stockholders upon their successful registration for the Annual Stockholders' Meeting. The same shall also be posted on the Corporation's website at http://www.macroasiacorp.com/asm, as part of its Definitive Information Statement (SEC Form 20-IS).

The Audit Committee has recommended, and the Board of Directors has approved the Audited Financial Statements of the Corporation for the year ended 31 December 2022.

A resolution for the approval of the Annual Report and Audited Financial Statements shall be submitted to the stockholders.

The affirmative vote of stockholders representing at least a majority of the outstanding capital stock of the Corporation present at the meeting shall be necessary to approve the resolution.

7. Ratification of all Acts, Proceedings and Resolutions of the Board of Directors and Management since the Annual Stockholders' Meeting held on 12 May 2022 up to 11 May 2023

The acts and resolutions of the Board of Directors and Management since the 2022 Annual Stockholders' Meeting that are submitted for the approval, confirmation, and ratification by the stockholders are enumerated in Item 18 of SEC Form 20-IS.

A motion for the approval, confirmation, and ratification of the acts, proceedings and resolutions of the Board of Directors and Management since the 2022 Annual Stockholders' Meeting shall be presented to the stockholders.

The affirmative vote of stockholders representing at least a majority of the outstanding capital stock of the Corporation present at the meeting shall be necessary to approve the resolution.

8. Election of Directors

In accordance with the Corporation's By-Laws and Manual on Corporate Governance, the Corporate Governance Committee received the nominations to the Board of Directors.

During its meeting on 24 March 2023, the Corporate Governance Committee determined that all the nominees, including the nominees for independent directors, possess all the qualifications of a director pursuant to the Corporation's By-Laws, Manual on Corporate Governance, and applicable laws, rules and regulations. Copies of the directors' profiles are provided in the Definitive Information Statement and posted on the Corporation's website: http://www.macroasiacorp.com/.

Memorandum Circular No. 4, series of 2017 of the Securities and Exchange Commission ("SEC MC No. 4") provides that an independent director shall serve a maximum cumulative term of nine (9) years reckoned from 2012. The nine-year term may be extended in case there is a meritorious justification for such extension and such extension is approved by the stockholders. Pursuant to SEC MC No. 4, the Corporation's Board of Directors and stockholders approved the extension of the term of Mr. Johnip G. Cua ("Mr. Cua") as an independent director of the Corporation for two (2) years from 2021 to 2023. SEC MC No. 4 further provides that an independent director who is perpetually barred from re-election as an independent director due to the expiration of the nine-year cumulative term or any extension thereof may continue to qualify as a non-independent director.

Based on the foregoing, the Corporate Governance Committee has screened the nomination of Mr. Cua as a non-independent director and has found him to possess all the qualifications needed for said position. Hence, Mr. Cua has been included in the slate of directors to be elected during the Annual Stockholders' Meeting of the Corporation.

The Corporate Secretary shall present to the stockholders the names of the individuals who were nominated in the Final List of Candidates for directors of the Corporation.

The election of the directors shall be by plurality of votes. Every stockholder may vote such number of shares owned by him for as many persons as there are directors to be elected; or he may cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal; or he may, based on the same principle, distribute such votes among as many candidates as he sees fit.

The eleven (11) directors receiving the highest number of votes will be declared elected as directors of the Corporation.

The Office of the Corporate Secretary shall oversee the tabulation of the votes, subject to verification by the external auditor, SGV.

9. Appointment of External Auditor

The Audit Committee has recommended, and the Board has approved the appointment of SGV as the external auditor of the Corporation.

The profile of the proposed external auditor is provided in the Information Statement.

A resolution for the appointment of SGV as the Corporation's external auditor will be presented to the stockholders for their approval.

The affirmative vote of stockholders representing at least a majority of the outstanding capital stock of the Corporation present at the meeting shall be necessary to approve the resolution.

10. Other Matters

The Chairman of the Meeting will hold an Open Forum to address the queries of the stockholders.

Only questions submitted in advance by the stockholders will be addressed during the Meeting. As stated in the Notice, the questions must be submitted through the **Queries** tab found in the Annual Stockholders' Meeting page (http://www.macroasiacorp.com/asm) not later than 5 May 2023.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Corporation's Investor Relations Officer.

11. Adjournment

Upon confirmation by the Corporate Secretary that there are no other matters to be considered, and on motion by a stockholder duly seconded, the Chairman of the meeting will declare the meeting adjourned.

WE ARE NOT SOLICITING YOUR PROXY

Stockholders may cast their votes via the method provided for voting in absentia, or by accomplishing the proxy form provided below.

PROXY

The undersigned stockholder of **MACROASIA CORPORATION** (the “Corporation”) hereby appoints the Chairman of the Meeting as proxy to represent the undersigned stockholder at the Annual Stockholders’ Meeting of the Corporation to be held through remote communication on 11 May 2023, and any adjournment or postponement thereof, and to vote all the shares registered in the name of the undersigned stockholder in the books of the Corporation for the purpose of acting on the following matters as fully, for all intents and purposes as he/she/it might do if present and acting in person, hereby ratifying and confirming all that said proxy shall lawfully do or cause to be done by virtue of these presents:

	FOR	**AGAINST**	**ABSTAIN**
1. Approval of the Minutes of the Annual Stockholders ’Meeting held on 12 May 2022	☐	☐	☐
2. Approval of the Annual Report and the Audited Financial Statements for the year ended 31 December 2022	☐	☐	☐
3. Ratification of all Acts, Proceedings and Resolutions of the Board of Directors and Management since the Annual Stockholders’ Meeting held on 12 May 2022 up to 11 May 2023	☐	☐	☐
4. To elect the following persons to the Board of Directors of the Corporation to serve until the next annual meeting of the shareholders or until their successors are elected and qualified:			
i. Dr. Lucio C. Tan (Director)	☐	☐	☐

	FOR	AGAINST	ABSTAIN
ii. Carmen K. Tan (Director)	☐	☐	☐
iii. Lucio C. Tan III (Director)	☐	☐	☐
iv. Eduardo Luis T. Luy (Director)	☐	☐	☐
v. Vivienne K. Tan (Director)	☐	☐	☐
vi. Michael G. Tan (Director)	☐	☐	☐
vii. Kyle Ellis C. Tan (Director)	☐	☐	☐
viii. Johnip G. Cua (Director)	☐	☐	☐
ix. Ben C. Tiu (Independent Director	☐	☐	☐
x. Marixi R. Prieto (Independent Director)	☐	☐	☐
xi. Samuel C. Uy (Independent Director)	☐	☐	☐
5. Appointment if SGV & Co. as external auditor of the Corporation for 2023	☐	☐	☐

In addition, the proxy may, in their discretion, properly vote on the shares for any other business during the meeting, for (1) matters that were not made known to the proxy holders within a reasonable time before this proxy was executed, and (2) on matters incidental to the conduct of the meeting.

SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED BY THE STOCKHOLDER. IF NO CHOICE IS SPECIFIED, SHARES WILL BE VOTED AT THE DISCRETION OF THE PROXY.

This proxy is signed this _______ day of _______ 2023.

____

Signature of Stockholder

____

Stockholder's Printed Name

____

Address

____

Number of shares held in MAC
as of record date (11 April 2023)

NOTE:

1. All proxies for the meeting should be received by the Corporate Secretary on or before April 26, 2023.

2. Please note that all proxies submitted by corporations should be accompanied by a Corporate Secretary's Certificate quoting the board resolution designating a corporate officer to execute the proxy.

   If a proxy form is submitted by a broker or custodian bank covering such shares of stock carried by such broker or custodian bank for the account(s) of beneficial owner(s), it must be accompanied by: (1) a Corporate Secretary's Certificate quoting the board resolution designating a corporate officer to execute the proxy; and (2) a Certification under oath, executed by the designated corporate officer, stating that the broker or custodian bank has obtained the written consent of the account holder.

COVER SHEET

40524

SEC Registration Number

MACROASIA CORPORATION

(Company's Full Name)

12th Floor, PNB Allied Bank Center, 6754 Ayala Avenue, Makati City

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

AMADOR T. SENDIN

(Contact Person)

8840-2001

(Company Telephone Number)

12	31	20-IS	05	11
Month	*Day*	(Form Type)	*Month*	*Day*
(Calendar Year)			(Annual Meeting)	

NA

(Secondary License Type, If Applicable)

MSRD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

845

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [✓] Preliminary Information Statement
   [   ] Definitive Information Statement

2. Name of Registrant as specified in its charter **MACROASIA CORPORATION**

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

4. SEC Identification Number **40524**

5. BIR Tax Identification Code **004-666-098-000**

6. **12th Floor, PNB Allied Bank Center, 6754 Ayala Avenue, Makati City**   **1226**
   Address of principal office   Postal Code

7. Registrant's telephone number, including area code **(632) 8840-2001**

8. **May 11, 2023, 3:00 P.M via remote communication (http://www.macroasiacorp.com/asm) as allowed by SEC per MC No. 6, Series of 2020**
   Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders
   April 18, 2023

10. *In case of Proxy Solicitations:*

    Name of Person Filing the Statement/Solicitor: Not Applicable
    Address and Telephone No: Not Applicable

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Stock, ₱1 par value	**1,890,958,323 Outstanding Shares**

12. Are any or all of registrant's securities listed on a Stock Exchange?

    Yes ✓   No ____

Name of Stock Exchange	Class
Philippine Stock Exchange	**Common Stock**

TABLE OF CONTENTS

A. GENERAL INFORMATION

In this Information Statement, the "Corporation" or "MAC" refers to MacroAsia Corporation. Similarly, the "MacroAsia Group" or the "Group" refers to MacroAsia Corporation and its subsidiaries/affiliates.

Item 1. Date, Time and Place of Meeting of Security Holders

The meeting will be conducted virtually on **Thursday, May 11, 2023,** at **3:00 P.M.** The details of the meeting can be found at http://www.macroasiacorp.com/asm.

The complete mailing address of the Corporation is: **12th Floor, PNB Allied Bank Center, 6754 Ayala Avenue, Makati City, Philippines**

The approximate date on which the Information Statement is first to be sent or given to Security Holders is **April 18, 2023**.

THE PARENT COMPANY IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

Item 2. Dissenters' Right of Appraisal

Under Title X of the Revised Corporation Code of the Philippines, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances: (i) any amendment to the articles of incorporation which has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class; (ii) extending or shortening the term of corporate existence; (iii) any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; (iv) merger or consolidation; and (v) in case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

The appraisal right may be exercised by any dissenting stockholder who shall have voted against the proposed corporate action, by making a written demand on the Corporation within thirty (30) days after the date on which the vote was taken for payment of the value of his shares. If the proposed corporate action is implemented or effected, the Corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. No payment shall be made to dissenting stockholder unless the Corporation has unrestricted retained earnings in its books to cover such payment.

None of the proposed corporate actions of the Corporation qualify as an instance which allows the exercise by the stockholders of their appraisal rights.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

(a) No director or officer of the Corporation, or nominee for election as director or associate of the foregoing persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.

(b) No director has informed the Corporation in writing that they intend to oppose any action to be taken by the Corporation at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) MacroAsia Corporation has 1,890,958,323 common shares issued and outstanding as of February 28, 2023. All issued and outstanding common shares of the Corporation as of the record date are entitled to vote at the Annual Stockholder's Meeting. Each share is entitled to one (1) vote.

(b) The record date for purposes of determining the stockholders entitled to vote is April 11, 2023.

(c) A stockholder entitled to vote at the meeting shall have the right to vote through remote communication/ *in absentia* or by proxy, the number of shares registered in his name in the stock transfer book of the Corporation for as many persons as there are directors to be elected. Each stockholder shall have the right to cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same cumulative voting principle among as many nominees as he shall see fit; provided, that the number of votes cast by a stockholder shall not exceed the number of his shares multiplied by the number of directors to be elected.

No discretionary authority to cumulate votes is solicited.

(d) Security Ownership of Certain Record & Beneficial Owners & Management

1. Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Corporation's Securities as of February 28, 2023 are:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Class
COMMON	PCD Nominee Corporation *37th Floor, Tower I, The Enterprise Center* *6766 Ayala Avenue, Makati City* *(Shareholder)*	Various Clients[1]	Filipino	430,407,487	22.26%
COMMON	PAL Holdings, Inc. (formerly Baguio Gold Holdings Corp.) *7th Flr. PNB Allied Bank Center* *6754 Ayala Ave., Makati City* *(Shareholder)*	Trustmark Holdings Corp. (Shareholder)[2] Susan T. Lee[4]	Filipino	137,280,000	7.10%

[1] *PCD Nominee Corp. (PCD) is a registered owner of certain shares in the books of the Corporation's transfer agent in the Philippines. The beneficial owners of such shares are PCD's participants, who hold shares on their behalf or in behalf of their clients. PCD is a private corporation organized by major institutions actively participating in Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines. The securities are voted by the trustee's designated officers who are not known to the Corporation. None of the PCD Nominee Corporation (Filipino and Non-Filipino) accounts beneficially own 5% or more of the Corporation's outstanding common shares.*

[2] *Relationship of beneficial owner with the record owner*

COMMON	Conway Equities, Inc. *10 Quezon Avenue, Quezon City*	Melito K. Tan, President[3] Orville C. Go. Jr.[4], Treasurer[3] Dinah T. Paginag, Corporate Secretary[3]	Filipino	132,771,600	6.87%
COMMON	Pan Asia Securities Corp. *Unit 910, Tower One and Exchange Plaza* *Ayala Avenue, Makati City*	Irene T. Luy, President[5] Philip Sing, Treasurer[5] Arlene Guevarra, Corporate Secretary[5]	Filipino	106,958,302	5.53%

2. Security Ownership of Directors and Management as of February 28, 2023:

Title of Class	Name of Beneficial Owner	Amount and Nature of Ownership	Citizenship	% of Class
COMMON	Dr. Lucio C. Tan Chairman and CEO	156,000 Direct (Beneficial)	Filipino	<1 %
COMMON	Carmen K. Tan Director	156,000 Direct (Beneficial)	Filipino	<1%
COMMON	Lucio C. Tan III Director	156,000 Direct (Beneficial)	Filipino	<1%
COMMON	Eduardo Luis T. Luy President and COO	120,000 Direct (Beneficial)	Filipino	<1%
COMMON	Vivienne K. Tan Director	1,560,000 Direct (Beneficial)	Filipino	<1%
COMMON	Michael G. Tan Director	156,000 Direct (Beneficial)	Filipino	<1%
COMMON	Kyle Ellis C. Tan Treasurer	124,800 Direct (Beneficial)	Filipino	<1%
COMMON	Johnip G. Cua Lead Independent Director	4,236,000 Indirect (Beneficial)	Filipino	<1%
COMMON	Ben C. Tiu Independent Director	156,000 Direct (Beneficial)	Filipino	<1%
COMMON	Marixi R. Prieto Independent Director	156,000 Direct (Beneficial)	Filipino	<1%
COMMON	Samuel C. Uy Independent Director	156,000 Direct 918,840 Indirect (Beneficial)	Filipino	<1%
COMMON	Atty. Florentino M. Herrera III Corporate Secretary	358,800 Direct 8,375,564 Indirect (Beneficial)	Filipino	<1%
	Atty. Marivic T. Moya Chief Compliance Officer/Corporate Information Officer, SVP- Human Resources, Legal and External Relations	-	Filipino	-
	Amador T. Sendin Chief Financial Officer, Chief Risk Officer, SVP – Administration	-	Filipino	-
	Belgium S. Tandoc Data Protection Officer, VP – Business Development	-	Filipino	-
	Total	**16,786,004**		**0.89%**

[3] *Designation in Conway Equities, Inc.*
[4] *Person authorized by the Board of Directors of the company to vote in the forthcoming annual stockholders' meeting.*
[5] *Designation in Pan Asia Securities Corp.*

3. Voting Trust of Holders of 5% or more

   To the extent known to the Corporation, there is no person holding more than 5% of the Corporation's voting stock under a voting trust or similar agreement.

4. Changes in Control

   There was no significant change in control of MAC in 2022. We are not aware of any existing or pending transaction which may result in such a change in control.

Item 5. Directors and Executive Officers

(a) Attendance: Appraisals and Performance Report for the Board.

The record of attendance of the directors during the Board meetings held during the year 2022 meets the Securities and Exchange Commission's requirement of more than 50% attendance as indicated below:

Directors	Position	Regular			Organizational	% of Total
		Mar 18	Jul 14	Dec 15	May 12	
Dr. Lucio C. Tan (ED)	Chairman & CEO	P	P	P	P	100%
Carmen K. Tan (NED)	Director	P	P	P	P	100%
Lucio C. Tan III (NED)	Director	P	P	P	P	100%
Eduardo Luis T. Luy (ED)	President & COO	P	P	P	P	100%
Vivienne K. Tan (NED)	Director	P	P	P	P	100%
Michael G. Tan (NED)	Director	P	P	P	P	100%
Kyle Ellis C. Tan (ED)	Treasurer	P	P	P	P	100%
Johnip G. Cua (ID)	Lead Independent Director	P	P	P	P	100%
Ben C. Tiu (ID)	Independent Director	P	P	P	P	100%
Marixi R. Prieto (ID)	Independent Director	P	P	P	P	100%
Samuel C. Uy (ID)	Independent Director	P	P	P	P	100%

Legend:
P - Present
A – Absent
ED – Executive Director
NED – Non-Executive Director
ID – Independent Director

A Director's term of office is one year. Election for the Board of Directors is conducted during the annual stockholders' meeting held every third Thursday of May each year.

The Corporate Governance Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. The Committee oversees the periodic performance evaluation of the Board and its committees as well as the executive management, and conduct an annual self-evaluation of its performance. It will also ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement. The Committee may also identify and recommend relevant trainings to keep the members up to date with corporate governance best practices and other areas of concerns.

(b) Information required of Directors and Executive Officers:

1. Directors and Executive Officers - Please refer to Annex A

2. Chairman and Members of the Corporate Governance Committee

   Ms. Marixi R. Prieto is the Chairman of the Corporate Governance Committee while Mr. Lucio C. Tan III, Mr. Johnip G. Cua, Mr. Ben C. Tiu and Mr. Samuel C. Uy are the committee members. Atty. Marivic T. Moya is a non-voting member of the Corporate Governance Committee.

The Corporate Governance Committee pre-screened and shortlisted all candidates nominated in accordance with the qualifications and disqualifications set forth in the Corporation's Amended By-laws and the Manual on Corporate Governance.

Memorandum Circular No. 4, series of 2017 of the Securities and Exchange Commission ("SEC MC No. 4") provides that an independent director shall serve a maximum cumulative term of nine (9) years reckoned from 2012. The nine-year term may be extended in case there is a meritorious justification for such extension and such extension is approved by the stockholders. Pursuant to SEC MC No. 4, the Corporation's Board of Directors and stockholders approved the extension of the term of Mr. Johnip G. Cua ("Mr. Cua") as an independent director of the Corporation for two (2) years from 2021 to 2023. SEC MC No. 4 further provides that an independent director who is perpetually barred from re-election as an independent director due to the expiration of the nine-year cumulative term or any extension thereof may continue to qualify as a non-independent director.

Based on the foregoing, the Corporate Governance Committee has screened the nomination of Mr. Cua as a non-independent director and has found him to possess all the qualifications needed for said position. Hence, Mr. Cua has been included in the slate of directors to be elected during the Annual Stockholders' Meeting of the Corporation.

The following are the Final List of Candidates for directors as determined by the Corporate Governance Committee during its meeting held on March 24, 2023:

1. Dr. Lucio C. Tan – Executive Director (Chairman & CEO)
2. Carmen K. Tan – Non-Executive Director
3. Lucio C. Tan III – Non-Executive Director
4. Eduardo Luis T. Luy – Executive Director (President & COO)
5. Vivienne K. Tan – Non-Executive Director
6. Michael G. Tan – Non-Executive Director
7. Kyle Ellis C. Tan – Executive Director (Treasurer)
8. Johnip G. Cua – Non-Executive Director
9. Ben C. Tiu – Independent Director
10. Marixi R. Prieto – Independent Director
11. Samuel C. Uy – Independent Director

Dr. Lucio C. Tan, Mrs. Carmen K. Tan, Mr. Lucio C. Tan III, Mr. Eduardo Luis T. Luy, Ms. Vivienne K. Tan, Mr. Michael G. Tan, Mr. Kyle Ellis C. Tan and Mr. Johnip G. Cua were formally nominated to the Corporate Governance Committee of the Corporation by a stockholder, Ms. Charmaine Pacleb.

Mr. Ben C. Tiu, Ms. Marixi R. Prieto and Mr. Samuel C. Uy, incumbent independent directors, were nominated as independent directors by Mr. Ike Tom Tolentino for the ensuing year. Mr. Tolentino is not related to any of the nominees for independent directors.

The Corporation has adopted the requirements under SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and compliance with such Rule has been made.

Guidelines on the Nomination and Election of Independent Directors

A. Independent director means a person who is independent from the management and controlling stockholders, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company and includes, among others, any person who:

1. Is not, or has not been a senior officer or employee of the Corporation, unless there has been a change in the controlling ownership of the Corporation;

2. Is not, and has not been in the three years immediately preceding the election, a director of the Corporation; a director, officer, employee of the Corporation's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the Corporation's substantial stockholders and its related companies, except if he also serves as an independent director of the Corporation's subsidiaries, associates, affiliates or related companies;

3. Is not an owner of more than two percent (2%) of the outstanding shares of the Corporation, its subsidiaries, associates, affiliates or related companies;

4. Is not a relative of a director, officer, or substantial stockholder of the Corporation or any of its related companies or of any of its substantial stockholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;

5. Is not acting as a nominee or representative of any director of the Corporation or any of its related companies;

6. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;

7. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the Corporation, any of its related companies or substantial stockholder, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election;

8. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial stockholder, in any transaction with the Corporation or any of its related companies or substantial stockholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment;

9. Is not affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial stockholders; and

10. Is not employed as an executive officer of another company where any of the Corporation's executives serve as directors.

Related companies, as used in this section, refer to (a) the Corporation's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

B. No person convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the SRC, committed within five (5) years prior to the date of his election, shall qualify as an independent director. This is without prejudice to other disqualifications provided for in the Corporation's Manual on Corporate Governance.

C. Any controversy or issue arising from the selection, nomination or election of independent directors shall be resolved by the SEC through the appointment of independent directors from the list of nominees submitted by the stockholders.

D. Qualifications and Disqualifications

1. An independent director shall have the following qualifications:
   - (i) He shall be at least a college graduate or have sufficient knowledge, skills, and experience, (and independence of mind in case of non-executive directors) in managing the business to substitute for such formal education;
   - (ii) He shall be at least twenty-one (21) years old;
   - (iii) He shall have been proven to possess integrity and probity;
   - (iv) He shall have the ability to promote smooth interaction between board members;
   - (v) He shall be assiduous;
   - (vi) He shall have sufficient time to carry out his responsibilities.

2. No person disqualified, either permanently or temporarily, under the Corporation's Manual on Corporate Governance shall be allowed to serve as an independent director.

E. Number of Independent Directors

1. The Corporation shall have at least three (3) independent directors, or such number of directors such that they constitute at least one-third (1/3) of the members of the Board of Directors, whichever is higher. The nomination and election of independent directors shall be in accordance with the Amended By-Laws of the Corporation.

F. Nomination and Election of Independent Director/s

1. The nomination of independent directors shall be conducted by the Corporate Governance Committee prior to the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

2. The Committee shall pre-screen the recommended nominees for qualifications and disqualification, and thereafter prepare a final list of all candidates. The Committee shall put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors.
3. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV(A) and (C) of Annex "C" of SRC Rule 12.
4. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders'/memberships' meeting.
5. Election of Independent Director/s

   (i) The conduct of the election of independent director/s shall be made in accordance with the standard election procedures of the Corporation or its by-laws.

   (ii) It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent director/s. He shall ensure that an independent director/s is elected during the stockholders' meeting.

   (iii) Specific slot/s for independent directors shall not be filled-up by unqualified nominees.

   (iv) In case of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

G. Independent Directors are only allowed to serve for a maximum cumulative term of nine (9) years. After which, the independent director is perpetually barred from re-election as such.

An independent director barred from re-election as such may continue to qualify for nomination and election as a non-independent director.

In the event that the Corporation wants to retain the independent director after serving nine (9) years, the Board should provide meritorious justification/s and seek the approval of the stockholders in the Annual Stockholders' Meeting.

3. Significant employee

Ronald Ron D. Dimatatac. Mr. Dimatatac, 31, Filipino, Certified Public Accountant (CPA) and Real Estate Broker and Appraiser has served as Financial Accountant since August 2018. He worked with SyCip Gorres Velayo & Co. (SGV & Co.) from September 2014 to September 2016 as an Assurance Associate and Senior Assurance Associate from October 2016 to July 2018.

4. Family Relationships

Dr. Lucio C. Tan, Chairman and CEO, is the husband of Ms. Carmen K. Tan, incumbent director; is the father of Ms. Vivienne K. Tan and Mr. Michael G. Tan, incumbent directors. Eduardo Luis T. Luy, President and COO, Kyle Ellis C. Tan, Treasurer and Lucio C. Tan III, incumbent directors, are grandsons of Dr. Lucio C. Tan.

5. Involvement in Certain Legal Proceedings

None of the directors, nominees for election as director, executive officers or control persons of the Corporation have been involved in any legal proceeding being the subject of any (a) bankruptcy petition, (b) conviction by final judgment in a criminal proceeding, domestic or foreign, or a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses, (c) order, judgment or decree 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, which is not subsequently reversed, suspended or vacated, or (d) judgment of violation of a securities or commodities law or regulation 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, which has not been reversed, suspended or vacated, for the past five (5) years up to the latest date that is material to the evaluation of his ability or integrity to hold the relevant position in the Corporation.

During the last two (2) years, the Corporation has not had any transaction or proposed transaction in which any director, executive officer, nominee or stockholder had a direct or indirect interest.

6. Certain Relationships and Related Transactions

The Company is committed to serve and protect the interests of its stockholders, management, employees, government regulatory agencies and stakeholders. Guided with a well-defined corporate governance structure, it will continue to do business with the principles of integrity, objectivity, accountability, and transparency.

It is the obligation of every member to declare and divulge in writing his own involvement in any conflict of interest with the company.

In 2022, none of the Company's directors entered into self-dealing and related party transactions involving the Company.

For a detailed discussion of our material related party transactions, *see* Note 18 of the MacroAsia Group's Notes to Consolidated Financial Statements (pages 62-65).

a. Part of the Group's excess cash are deposited in savings and current accounts and placed with Philippine National Bank, an affiliated company under common control, at very competitive rates and based on the outstanding cash balance at the end of the interest earning period. MacroAsia Corporation also leases the office space it currently occupies from the said bank at the bank's current prevailing rental rate. MacroAsia Mining Corporation also entered into a five-year lease contract with Philippine National Bank (formerly Allied Banking Corporation) for its office space starting January 1, 2021. The Parent Company and its subsidiaries have not been given any preferential treatment in any of its transactions with the bank and continues to lease the office space under the last term and condition.

b. MAPDC, as an ecozone operator, leases land from MIAA and subsequently leases the same to its Ecozone locators which include LTP, an affiliate. The rental charge, which is at normal market rate, is subject to a fixed price escalation and deposit. Monthly fees due from LTP are equivalent to MAPDC's cost of leasing the land from MIAA, plus administrative fees. In Cebu, LTP has assigned its lease agreement with MCIAA to MAPDC for MAPDC to administer and sublease. The arrangement is similar to the lease setup between MAPDC and LTP in the MacroAsia Ecozone in Pasay City, except that for Cebu, it will be a lease pass-on arrangement. MAPDC has outstanding advances to WBSI, CBRI, PWBRI, MPRDC, SNVRDC, BTSI and NAWASCOR which were eliminated in the consolidation process.

c. MASCORP provides ground handling services to various airline companies at NAIA and MCIA, including Air Philippines, an affiliate under common control. In September 2011, MASCORP started providing ground handling services to Philippine Airlines (PAL), an affiliated company under common control. The ground handling service rates being charged to Air Philippines and PAL are competitive and were the results of negotiations between the companies. MASCORP bills LTP for ground handling services rendered on behalf of its clients. MASCORP also leases ground-handling equipments from PAL and pays AirPhil (PALEx) for its shares on the rental and utilities in NAIA.

d. In September 2011, MACS started providing some catering services to PAL under competitive rates. MACS also leases airline catering equipment from PAL. Subsequently, MACS formed MSIS, as a fully-owned subsidiary to be the dedicated service provider for PAL. In March 2019, MSIS took over the operation and management of PAL's Inflight Kitchen from a third-party contractor.The Parent Company and its subsidiaries have a trust fund for the employees' retirement plan with Philippine National Bank (formerly Allied Bank Corporation) as the fund manager. The Group has not been given any preferential treatment in any of its transactions with the Bank.

e. There are no other on-going contractual or other commitments between the Group and the aforementioned affiliates.

f. There are no other material transactions with and/or dependence on related parties not discussed above and in the Notes to Consolidated Financial Statements.

There are no other parties that fall outside the definition of "related parties" under Philippine Accounting Standards (PAS) 24 with whom the Corporation or its related parties have a relationship that enabled the parties to negotiate terms of material transactions which would otherwise not have been available from others or independent parties on an arm's length basis.

7. Commercial relations between holders of significant equity (5% or more)

PAL Holdings, Inc. (formerly Baguio Gold Holdings Corp.) (7.10%), Conway Equities, Inc. (6.87%) and Pan Asia Securities Corporation (5.53%) own more than 5% of the total outstanding common stock of the Corporation.

8. Resignation of Directors

No director has resigned or declined to stand for re-election to the board of directors since the date of the last Annual Stockholders' Meeting (May 12, 2022) due to disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

(a) Executive Compensation:

The following table summarizes the actual aggregate compensation of all directors and officers of the Corporation for 2021 and 2022, as well as the estimated aggregate compensation for the year 2023:

Summary Compensation Table

Name and Principal Position	Year	Salaries (₱'mil)	Bonus	Other Annual Compensation*
Four (4) Most Highly Compensated Executive Officers	**2021** (Actual)	32.0	2.3	42.3
• Lucio C. Tan, Chairman/CEO[1] • Joseph T. Chua, President / COO until October 8, 2021	**2022** (Actual)	28.2	4.5	2.4
• Eduardo Luis T. Luy, President / COO starting October 8, 2021 • Atty. Marivic T. Moya, SVP-Human Resources, Legal and External Relations, Chief Compliance Officer/Corporate Information Officer • Amador T. Sendin, Chief Financial Officer, Chief Risk Officer, SVP-Administration • Belgium S. Tandoc, Data Protection Officer, VP-Business Development[2] •	**2023** (Estimated)	28.7	16.9	3.6
Directors	**2021** (Actual)	-	-	6.50
	2022 (Actual)	-	-	5.9
	2023 (Estimated)	3.4	1.4	1.5
All Other Officers - Unnamed	**2021** (Actual)	0.91	0.07	1.33
	2022 (Actual)	-	-	2.7
	2023 (Estimated)	3.4	1.4	1.5

**Includes Per Diem of Director*

1 One (1) of the Four (4) Most Highly Compensated Executive Officers in 2023 only

2 One (1) of the Four (4) Most Highly Compensated Executive Officers in 2021 and 2022

(b) Compensation of Directors

1. In accordance with the Corporation's By-laws, members of the Board do not receive any regular compensation from the Corporation, except for per diems for every regular or special Board meeting, or committee meeting actually attended. For their attendance at the said meetings, members of the Board of Directors receive a per diem ranging from ₱30,000 to ₱200,000.

2. The Corporation's By-Laws also specify that the directors are entitled to additional compensation in an aggregate amount not exceeding five percent (5%) of the Corporation's net profit before tax. This variable pay plan for the Board of Directors was implemented starting 2005 in accordance with a performance-based schedule and such additional pay for the Board is contingent entirely on the financial results of the Group.

   There are no material terms of, nor any other arrangements with regard to compensation as to which directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director other than those specified in the By-laws.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

1. Executive officers' compensation consists of a monthly negotiated salary, a fixed monthly allowance, and 13th month pay. Since 2005, a performance-based incentive plan has also been authorized for officers and staff, resulting in additional variable pay which may or may not occur in a reporting year, depending on the Corporation's audited results from its operations.
2. There are no other compensatory plans or arrangements with the named executive officers, which result or will result from the resignation, retirement or any other termination of the executive officer's employment with the Corporation and its subsidiaries or from a change-in-control of the Corporation or a change in the named executive officer's responsibilities following a change-in-control.

(d) Warrants and Options Outstanding

The Corporation has no outstanding warrants and options.

Item 7. Independent Public Accountants

(a) SyCip Gorres Velayo & Co. (SGV) will be recommended to security holders as the Corporation's independent public accountants for the current year (2023). SGV was the Corporation's external auditor for the previous year. SGV has already implemented SRC Rule 68 paragraph 3(b)(iv) which requires the rotation of assignments of audit engagement partners every five (5) years.

(b) There were no changes in, nor disagreements with, SGV during the last three (3) years or any subsequent interim periods.

(c) Representatives of the independent public accountants are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

(d) The Audit Committee reviewed, evaluated and approved the policies and procedures for the professional services rendered by SGV. The Corporation's Audit Committee is composed of Mr. Johnip G. Cua, as Chairman, with Messrs. Lucio C. Tan III, Michael G. Tan, Ben C. Tiu, Samuel C. Uy, and Ms. Marixi Prieto, as members.

Item 8. Retirement Plan

The Group's retirement plan covers substantially all of its regular employees and provides benefits based on years of service and compensation on the last year of employment. (For additional details on retirement benefits plan, refer to Notes 18 and 21 of the attached Notes to the Financial Statements on Related Party Transactions and Retirement Benefits, respectively.)

There are no agreements between the Group and any of its directors and executive officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's retirement plan.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up in the meeting with respect to the authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up in the meeting with respect to the modification of the Corporation's securities or the issuance of authorization for issuance of one class of the Corporation's securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

(a) The audited consolidated financial statements of the Group as of December 31, 2022 and 2021, and Management's Discussion and Analysis are attached hereto as Annex C. The Group's Market Price of Shares and Dividends and other data related to the Corporation's financial information are attached hereto as Annex D. The Schedules required under Part IV (e) of Rule 68 are included in the Annual Report (SEC Form 17-A).

(b) The consolidated financial statements of the Group have been prepared under the historical cost method, except for available-for-sale (AFS) investments, which are carried at fair value.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale or liquidation of the Corporation.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Corporation.

Item 14. Restatement of Accounts

The consolidated financial statements of the Group have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS).

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new accounting pronouncements starting January 1, 2022. See Note 2 – Summary of Significant Accounting and Financial Reporting Policies of the attached Notes to the Consolidated Financial Statements for a more detailed discussion (pages 2-29).

There are no matters or actions to be taken up in the meeting with respect to the restatement of any asset, capital, or surplus account of the Group.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The Board of Directors of the Corporation recommends a vote for confirmation, ratification and approval of the following matters:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on May 12, 2022

The minutes of the Annual Stockholders' Meeting held on May 12, 2022 (pages 63 to 83) will be submitted for approval of the stockholders. A copy of the minutes of the Minutes of the 2022 Annual Stockholders' Meeting is attached hereto.

The minutes of the May 12, 2022 Annual Stockholders' Meeting contain the following items:

i. Call to Order
ii. Certification of Notice
iii. Meeting Procedures
iv. Certification of Quorum
v. Approval of the Minutes of the Annual Stockholders' Meeting held on 17 July 2020
vi. Presentation of 2020 Annual Report and Financial Report
vii. Approval of the Annual Report and the Audited Financial Statements for the year ended 31 December 2020
viii. Ratification of all Acts, Proceedings and Resolutions of the Board of Directors and Management since the 2020 Annual Stockholders' Meeting up to 13 May 2021
ix. Election of Directors
x. Appointment of External Auditor
xi. Other Matters
xii. Adjournment

The minutes of the Annual Stockholders' Meeting ("ASM") held on May 12, 2022 contains the following information:

a. List of directors and officers who attended the ASM;
b. A description of the voting and vote tabulation procedures used during the ASM;
c. Matters discussed and resolutions adopted;
d. A record of the voting results for each agenda item; and
e. A description of the opportunity given to the stockholders to ask questions

2. Approval of President's Report and the Audited Financial Statements

The President's Report and the Corporation's Audited Financial Statements as of December 31, 2022 will be presented to the stockholders for approval.

Stockholders shall be furnished copies of the above-mentioned reports/minutes on or before the date of the Annual Stockholders' Meeting.

The President's Report will apprise the shareholders of developments during the past year and provide highlights for the ensuing year.

Item 16. Matters not required to be submitted

All matters or actions to be taken up in the meeting require the vote of the security holders.

Item 17. Amendment of Charter, By-laws or Other Documents

There are no matters or actions to be taken up in the meeting with respect to amendment of charter, by-laws, and other documents.

Item 18. Other Proposed Actions

(a) Ratification/Approval of all other acts and resolutions of the Board of Directors duly adopted in the normal course of trade or business, such as election of directors, appointment of officers and external auditors, filing of cases, opening of bank accounts, execution of contracts, procurement of loans, sale and/or acquisition of assets and applications for permits and incentives.

(b) There are no other acts and resolutions of the Board of Directors from May 12, 2022 up to the present that need ratification.

Item 19. Voting Procedures

(a) Vote Required for Approval of Matters/Election of Directors:
- Approval of Minutes of Previous Stockholders' Meeting - majority vote
- President's Report - majority vote
- Financial Report on Results of Operations for 2022 – majority vote
- Audited Financial Statements - majority vote
- Ratification/Approval of all Acts and Resolutions of the Board of Directors - majority vote
- Election of Directors - The eleven (11) nominees with the highest number of votes will be elected directors.
- Appointment of External Auditors - majority vote.

(b) Method By Which Votes Will Be Counted

The Company's By-laws does not prescribe a specific manner of voting by stockholders. For this year's Annual Stockholders' Meeting, the Board of Directors approved a resolution allowing stockholders to participate in the meeting via remote communication and to vote *in absentia* or by proxy.

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

Stockholders and proxy holders can then cast their votes on specific matters for approval, including the election of directors. Each common share shall be entitled to one vote. The votes of the stockholders or proxy holders must be cast on or before May 5, 2023.

Total votes cast shall be accounted for/tabulated manually during the meeting. Only the Corporate Secretary and staff of Stock and Transfer Agent are the persons authorized to count the votes.

Pursuant to the Corporation's By-laws, duly accomplished proxy forms must be submitted to the Corporate Secretary at least ten (10) business days before opening of the annual meeting. Duly accomplished proxies must be submitted via email to macasm@macroasiacorp.com, not later than April 26, 2023. A sample format of the proxy form for individual, corporate stockholder and PCD participants/brokers is hereto attached as part of the *Guidelines for Participating via Remote Communication and Voting In Absentia* and are also available at the Corporation's website at http://www.macroasiacorp.com/asm.

The Corporate Secretary will lead the validation of proxies, in coordination with the Corporation's stock and transfer agent. Any questions and issues relating to the validity and sufficiency of proxies, both as to form and substance, shall be resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding on the stockholders, and those not settled at such forum shall be deemed waived and may no longer be raised during the meeting.

The detailed guidelines for participation and voting for this meeting are set forth in the "Guidelines for Participating via Remote Communication and Voting *in Absentia*" on pages 91-93.

UNDERTAKING

Upon written request of the stockholders, the Corporation undertakes to furnish a copy of SEC Form 17-A free of charge. Any written request for a copy of SEC Form 17-A shall be addressed to the following:

MACROASIA CORPORATION
12th Floor PNB Allied Bank Center
6754 Ayala Avenue, Makati City

Attention: Ms. Gladys Lorraine S. Pastrana
Assistant Compliance Officer/
Investor Relations Officer

At the discretion of management, a charge may be made for exhibits, provided such charge is limited to reasonable expenses incurred by the Corporation in furnishing such exhibits.

SIGNATURE PAGE

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

After reasonable inquiry and to the best of our knowledge and belief, the Corporation certifies that the information set forth in this report is true, complete and correct. This report is signed on 30 March 2023 at Makati City.

MACROASIA CORPORATION
Registrant

By:

EDUARDO LUIS T. LUY
President and Chief Operating Officer

AMADOR T. SENDIN
Chief Financial Officer, Chief Risk Officer and SVP for Administration

ATTY. FLORENTINO M. HERRERA III
Corporate Secretary

ANNEX A – DIRECTORS AND EXECUTIVE OFFICERS

Term of Office

The Directors' term of office is one year. Election for the Board of Directors is conducted during the annual stockholders' meeting held every second Thursday of May.

Board of Directors*

The following are the incumbent members of the Board of Directors:

Name	Position	Committee Membership
Dr. Lucio C. Tan	Chairman of the Board and Chief Executive Officer	Chairman – Investment Committee
Carmen K. Tan	Director	Member – Investment Committee
Lucio C. Tan III	Director	Member – Corporate Governance, Audit, Related Party Transactions, Compensation and Investment Committees
Eduardo Luis T. Luy	President and Chief Operating Officer	Member – Investment, Mining and Risk Management Committees
Vivienne K. Tan	Director	Member – Risk Management and Investment Committees
Michael G. Tan	Director	Member – Audit, Compensation, Risk Management and Mining Committees
Kyle Ellis C. Tan	Treasurer	Member – Mining Committee
Johnip G. Cua	Lead Independent Director	Chairman – Audit, Compensation, Mining and Retirement Plan Committees Member – Corporate Governance, Related Party Transactions, Investment and Risk Management Committees
Ben C. Tiu	Independent Director	Chairman – Risk Management Committee Member – Corporate Governance, Audit, Related Party Transactions, Compensation and Retirement Plan Committees
Marixi R. Prieto	Independent Director	Chairperson –Corporate Governance and Related Party Transactions Committees Member – Audit and Risk Management Committees
Samuel C. Uy	Independent Director	Member – Corporate Governance, Audit, Related Party Transactions, Compensation and Risk Management Committees

**The Directors' term of office is one year. Election for the Board of Directors is conducted during the annual stockholders' meeting held every second Thursday of May.*

Nominees

The following are the Final List of Candidates for directors as determined by the Corporate Governance Committee of the Corporation:

1. Dr. Lucio C. Tan – Executive Director (Chairman & CEO)
2. Carmen K. Tan – Non-Executive Director

3. Lucio C. Tan III – Non-Executive Director
4. Eduardo Luis T. Luy – Executive Director (President & COO)
5. Vivienne K. Tan – Non-Executive Director
6. Michael G. Tan – Non-Executive Director
7. Kyle Ellis C. Tan – Executive Director (Treasurer)
8. Johnip G. Cua – Non-Executive Director
9. Ben C. Tiu – Independent Director
10. Marixi R. Prieto – Independent Director
11. Samuel C. Uy – Independent Director

Dr. Lucio C. Tan. Mr. Tan, 88, Filipino, has served as Chairman of the Board of Directors since July 2015 and as Chief Executive Officer since December 14, 2015. Dr. Tan is the Chairman and CEO of LTG, Inc., Chairman of Absolut Distillers, Inc., Alliedbankers Insurance Corporation, Allianz PNB Life Insurance, Air Philippines Corporation, Asia Brewery, Inc., Asian Alcohol Corporation, Basic Holdings Corporation, Buona Sorte Holdings, Inc., Eton Properties Philippines, Inc., Fortune Tobacco Corporation, Foremost Farms, Inc., Grandspan Development Corporation, Himmel Industries, Inc., Philippine Airlines, Inc., PMFTC Inc., Progressive Farms, Inc., PAL Holdings, Inc., Tanduay Distillers, Inc., Tanduay Brands International, Inc., Tangent Holdings Corporation, The Charter House, Inc., Trustmark Holdings Corporation, University of the East, Zuma Holdings and Management Corporation. He is also a Director of Philippine National Bank.

He holds a Bachelor of Science degree in Chemical Engineering from Far Eastern University. Dr. Lucio Tan holds a Doctor of Philosophy degree, Major in Commerce from the University of Santo Tomas in 2003 and is an awardee of several other honorary Doctorate degrees. He holds a Bachelor of Science degree in Chemical Engineering from Far Eastern University.

Carmen K. Tan. Mrs. Tan, 82, Filipino, has served as a Director of the Corporation since July 2012. Aside from her membership in the Board of Directors of the Corporation, Ms. Tan is also the Vice Chairman of Philippine Airlines, Inc. and Director of Air Philippines Corporation, Asia Brewery, Inc., Buona Sorte Holdings, Inc., Foremost Farms, Inc., Dynamic Holdings, Ltd, Eton City, Inc., Fortune Tobacco Corporation, Himmel Industries, Inc., PAL Holdings, Inc., Philippine National Bank, PMFTC Inc., Progressive Farms, Inc., Tanduay Distillers, Inc., Manufacturing Services and Trade Corporation, Sipalay Trading Corporation, Saturn Holdings, Inc., Tangent Holdings Corporation, Trustmark Holdings Corporation and Zuma Holdings and Management Corporation.

Mrs. Tan is a distinguished alumna of the Paco Chinese School and the University of the East, Manila.

Lucio C. Tan III, Mr. Tan, 30, Filipino, has served as Director of the Corporation since December 2019. Mr. Tan is also the Vice Chairman and COO of LTG, Inc., Director, President and Chief Operating Officer of Tanduay Distillers, Inc.; Vice Chairman and President of Sabre Travel Network Phils. Inc.; Vice President and Director of PAL Holdings, Inc.; Vice President of Dunmore Development Corporation; Director of Ali-Eton Property Development Corp, Air Philippines Corporation, Allied Club, Inc., Allied Water Services, Inc., Asia's Emerging Dragon Corporation, Belton Communities, Inc., Eton City, Inc., First Homes, Inc., Fortune Landequities and Resources, Inc., Lufthansa Technik Philippines, MacroAsia Airport Services Corp., MacroAsia Catering Services, Inc., MacroAsia SATS Food Industries, MacroAsia SATS Inflight Services Corp., PMFTC, Philippine Airlines, Inc., PNB Holdings Corporation, Philippine National Bank, and Prior Holdings Corp.; and former Director of Victorias Milling Company, Inc.

Mr. Tan took his Masters Degree in Computer Science from Stanford University, California USA. He also took in the same school his Bachelor's Degree in Electrical Engineering and graduated with the highest award given to engineering seniors in 2015, The Frederick E. Terman Award. He was also awarded the President's Award for Academic Excellence in his Freshman Year and admitted to the Tau Beta Pi Honors Society for his Junior and Senior years.

Eduardo Luis T. Luy. Mr. Luy, 29, Filipino, President and Chief-Operating-Officer of the Corporation since October 8, 2021. He served as Director and Treasurer of the Corporation from December 12, 2019 to October 7, 2021. He is also the Chairman and President of the following corporations: MacroAsia Catering Services, Inc., MacroAsia SATS Food Industries Corporation, MacroAsia SATS Inflight Services Corporation, MacroAsia Airport Services Corporation, MacroAsia Properties Development Corporation, MacroAsia Air Taxi Services, Inc., MacroAsia Mining Corporation, MMC Management and Development Corporation, Bulawan Mining Corporation, Allied Water Services, Inc., Naic Water Supply Corporation, Aqualink Resources Development, Inc., Mabini Pangasinan Resources Development Corporation, Tera Information and Connectivity Solutions, Inc.; Chairman of the following corporations: First Aviation Academy, Inc., Water Business Solutions, Inc., Cavite Business Resources, Inc., SNV Resources Development Corporation, Boracay Tubi System, Inc., New Earth Water System, Inc., Monad Water and Sewerage Systems, Inc., AlliedKonsult Eco-Solutions Corporation, Cavite AlliedKonsult Service Corporation and Summa Water Resources, Inc.; and Director of Lufthansa Technik Philippines, Inc., since October 8, 2021 and Japan Airport Service Co., Ltd. since November 2021. He worked in Reyes Tacandong & Co. from 2015-2018.

Mr. Luy holds a Master's Degree in Business Administration from Asian Institute of Management and a Bachelor of Science degree in Business Administration from the University of the Philippines-Diliman.

Vivienne K. Tan. Ms. Tan, 54, Filipino, has served as Director of the Corporation since July 2019. She also serves as a member of the Board of Directors of: LT Group, Inc., Eton Properties Philippines, Inc., PNB and Philippine Airlines, Inc. She is a member of the Board of Trustees of University of the East, University of the East Ramon Magsaysay Memorial Medical Center and De La Salle - College of Saint Benilde. She is an Executive Director of Dynamic Holdings Limited. Ms. Tan is also the Founding Chairperson of Entrepreneurs School of Asia, and is the Founder and President of the Thames International Business School.

Ms. Tan has a Bachelor of Science Double Degree in Mathematics and Computer Science from the University of San Francisco, USA. She also has a Post-Graduate Diploma in Fashion Design and Manufacturing Management from the Fashion Institute of Design and Merchandising in Los Angeles.

Michael G. Tan. Mr. Tan, 56, Filipino, has served as Director since 17 July 2015. Director and President of LT Group, Inc., a Director, President, and Chief Operating Officer of Asia Brewery, Inc.; Director of Tangent Holdings Corp., Philippine National Bank, PMFTC Inc., Absolut Distillers, Inc., Tanduay Distillers, Inc., Tanduay Brands International, Inc., Trustmark Holdings Corporation, Shareholdings, Inc., Asia's Emerging Dragon Corporation, Paramount Land Equities, Inc., Allied Commercial Bank – Xiamen, Allied Banking Corp (Hongkong) Limited, PNB Global Remittance & Financial Company (HK) Ltd, Saturn Holdings, Inc. Victorias Milling Company, Inc., Maranaw Hotel (Century Park Hotel), and Pan-Asia Securities Corp; and Director and Treasurer of Zuma Holdings and Management Corporation. He is a member of the ASEAN Business Advisory Council (ASEAN BAC) representing the Philippines, a Director and Vice President of the Federation of Filipino-Chinese Chambers of Commerce & Industry, Inc., a Director of the Philippine Chamber of Commerce and Industry (PCCI), and Trustee of the Help Educate and Rear

Orphans (HERO) Foundation, Inc. In October 2022, he was appointed as a member of the Private Sector Advisory Council which is tasked to provide the Philippine President with advice and recommendations for economic reforms.

Mr. Tan holds a Bachelor of Science degree in Applied Science in Civil Engineering, major in Structural Engineering, from the University of British Columbia, Canada.

Kyle Ellis C. Tan. Mr. Tan, 26, Filipino, has served as Treasurer and Director of the Corporation since October 8, 2021. He is a Director of the following corporations since 2021: Maranaw Hotels & Resort Corporation, PNB Global Remittance and Financial Co. (HK) Ltd, Grandspan Development Corporation, Victorias Milling Company Inc., and Allied Club, Inc. and Asia's Emerging Dragon Corporation (since 2020). He is currently the Director and COO of Himmel Industries, Inc. and Manufacturing Services & Trade Corporation (since 2022). He is the Executive Director (Management Committee) of Eton Properties Philippines, Inc (since 2022). He is also the President of Landcom Realty Corporation (since 2021), Vice Chairman and Director of Pan Asia Securities Corporation (since 2021), Executive Vice President of Tanduay Distillers, Inc. (since 2020), and the Vice President of Kilter Realty & Development Corporation (since 2020).

Before joining the group, he worked as Software Engineer for Microsoft from 2019 to 2020, as Intern for Microsoft, Siemens and Cisco, and as Teaching Assistant in USC Viterbi & ITP.

Mr. Tan holds a Master's Degree in Computer Science and a Bachelor's Degree in Computer Science and Computer Engineering (Magna Cum Laude) both from University of Southern California USA.

Johnip G. Cua. Mr. Cua, 66, Filipino, has served as Independent Director of the Corporation since 2006. He was formerly the President of Procter & Gamble Philippines Inc. (1995-2006). He currently serves as the Chairman of the Board of the P&Gers Fund Inc. (since 2009) and Xavier School, Inc. (since 2012), and the Chairman & President of Taibrews Corporation (since 2011). Additionally, he serves as a member of the Board of Trustees of Xavier School Educational & Trust Fund (since 1996) and MGCC Foundation (since 2015).

Mr. Cua is an Independent Director of the following corporations: Philippine Airlines Inc. (since 2014), PAL Holdings Inc. (since 2014), Century Pacific Food Inc. (since 2014), LT Group Inc. (since 2018), Tanduay Distillers Inc. (since 2018), Asia Brewery Inc. (since 2018), MacroAsia Catering Services, Inc. (since 2007), MacroAsia Airport Services Corp. (since 2007), MacroAsia Properties Development Inc. (since 2013), PhilPlans First Inc. (since 2009), and First Aviation Academy Inc. (since 2017).

Mr. Cua is also a member of the Board of Directors of the following corporations: Allied Botanical Corporation (since 2012), Alpha Alleanza Manufacturing Inc. (since 2008), Bakerson Corporation (since 2002), Interbake Marketing Corporation (since 1991), Lartizan Corporation (since 2007), Teambake Marketing Corporation (since 1994), and Zenori Corporation (since 2018).

Mr. Cua holds a Bachelor of Science degree in Chemical Engineering from the University of the Philippines.

Ben C. Tiu Mr. Tiu, 71, Filipino, has served as an Independent Director of the Corporation since July 2013. He is the Chairman of the Board of Directors of the following corporations: Fidelity Securities (since 1993), Tera Investments, Inc. (since 2001), TKC Steel Corporation (since 2007Present), Treasure Steelworks Corp. (since 2005), and BRJ Trading (since 1988). He also serves as the Chairman and President of JTKC Equities, Inc. (since 1993). He is currently the Executive Vice President of JTKC Leisure Group. He also serves as Director of I-Remit Inc. (since 2006).

Mr. Tiu holds a Master of Business Administration degree from the Ateneo De Manila University and a Bachelor of Science degree in Mechanical Engineering from Loyola Marymount University, USA.

Marixi R. Prieto. Ms. Prieto, 82, Filipino, has served as an Independent Director of the Corporation since December 2015. She is the Chairman of the Board of Bataan 2020 Inc. She served/serves as a member of the Board of Directors in the following companies: Philippine Daily Inquirer, Hinge Inquirer Publication Inc., Inquirer Interactive Inc., Inquirer Publications Inc., Printown Group, Sunvar Inc., Investment and Marketing Association, Ionian Industrial Property Inc., Corinthian Industrial Property, Inc., HMR Enterprises, Inc., Lexmedia Realty, Inc., Var Buildings, Inc., Parkside Realty Development Corporation, Golden Pizza Inc., Golden Donuts Inc., International Family Foods Services, Inc., Mix-plant Inc., LRP Inc., Pinnacle Printers Corporation, Inquirer Holdings, Inc., Mediacom Equities, Inc., Matrix Resources Portfolio Holdings, Inc., Excel Pacific Equities, Inc., and Cebu Daily News. Ms. Prieto is also the Treasurer of the following corporations: Sunvar Realty Development Corporation, Marilex Realty Development Corporation, and Ionian Realty & Development Corporation. She is also part of the Board of Trustee of Tan Yan Kee Foundation since 2015.

Ms. Prieto holds a Bachelor of Science degree in Business Management from Assumption College Inc.

Samuel C. Uy. Mr. Uy, 69, Filipino, has served as Independent Director since April 30, 2018. He is the President and CEO of 3S Realty Corporation (since 2007) and Toril Sports Complex (since 2008). He is also the Vice-President since 1986-2019 of Kaunlaran Development Corporation and Davao Farms Incorporated and became the President since 2020. He is also the Vice-President of Asaje Hotels (since 2020), Dimdi Centre Inc. (since 1986) and Daland Development Corporation. He is the Treasurer for Dimdi Builders Inc. and Asaje Realty Corp. (since 2020).

Mr. Uy is also a director of Honda Cars Gensan, and an Independent Director of Philippine Airlines, Inc. (since March 2017).

Mr. Uy holds a Bachelor of Science degree in Agriculture from Xavier University. He also studied Bachelor of Science in Management at the Ateneo de Manila University.

Executive Officers

Name	**Position**
Atty. Marivic T. Moya	Senior Vice President - Human Resources, Legal and External Relations, Chief Compliance Officer / Corporate Information Officer
Amador T. Sendin	Chief Financial Officer, Chief Risk Officer, Senior Vice President - Administration
Belgium S. Tandoc	Vice-President - Business Development/ Data Protection Officer
Atty. Florentino M. Herrera III	Corporate Secretary

Atty. Marivic T. Moya. Ms. Moya, 62, Filipino, has served as an Executive Officer since May 1999. She is the current Senior Vice President for Human Resources, Legal and External Relations, Chief Compliance Officer and the Chief Information Officer of MacroAsia Corporation. Prior to this, Atty. Moya was the Vice President for Human Resources, Legal and External Relations of MacroAsia Corporation and Compliance Officer (1999-2019).

She is involved in MacroAsia Catering Services Inc. (Corporate Secretary since 2004 and Director from June 2019 to March 2021), MacroAsia SATS Food Industries Corporation (Corporate Secretary since 2015), MacroAsia SATS Inflight Services Corporation (Corporate Secretary and Director from June 2019 to March 2021), MacroAsia Airport Services Corp. (Corporate Secretary since 2004), MacroAsia Properties Development Corp. (Corporate Secretary since 2004 and Director since 2019); Asia's Emerging Dragons Corp.(Corporate Secretary since 2017) , MacroAsia Air Taxi Services, Inc. (Corporate Secretary since 2004 and Director since 2018); MacroAsia Mining Corp. (Corporate Secretary and Director since 2000), SNV Resources Development Corp., Boracay Tubi System, Inc. (Corporate Secretary and Director until 2020), First Aviation Academy, Inc. (Corporate Secretary since 2017 and Director since 2019), Summa Water Resources, Inc. (Corporate Secretary since October 2018 and Director until 2020), Naic Water Supply Corporation (Corporate Secretary since 2020 and Director since 2017), Watergy Business Solutions Inc. (Director since 2014 and Treasurer since October 2020), Cavite Business Resources Inc. (Director since 2012 and Treasurer since October 2020), Alliedkonsult Eco-solutions Corporation and Cavite Alliedkonsult Services Corporation (Director since 2019); Aqualink Resources Development Corporation (Corporate Secretary since April 2021); Tera Information and Connectivity Solutions, Inc. (Corporate Secretary since February 2021).

She is currently the Assistant Corporate Secretary of LT Group and PAL Holdings, Inc. and served as the Corporate Secretary of MacroAsia Corporation from 2004 to 2014. She is also the Corporate Secretary of Philippine Airlines, Inc. (since 2014). She worked with various Government Institutions from 1987 to 1999, holding key positions such as Legal Officer of the National Bureau of Investigation (NBI) from 1987-1989, Arbitration Specialist of Philippine Overseas Employment Administration (POEA) from 1989 to 1990, Director II (Chief, Legal Service) of Philippine Health Insurance Corporation from 1990 to 1996 and Graft Investigation Officer II at the Office of the Ombudsman from 1997 to 1999. She also held the position of Human Resources Manager of Grand Air from 1996 to 1997. She was a member of the Board of Trustees of the University of Santo Tomas Law Alumni Association (2010-2013).

Atty. Moya holds a Bachelor of Law degree from the University of Santo Tomas and a Bachelor of Arts degree, Major in Child Study from Maryknoll College.

Amador T. Sendin. Mr. Sendin, 60, Filipino, a Certified Public Accountant (CPA), has served as an Executive Officer since October 2003. He is the current Chief Financial Officer (since 2012), Chief Risk Officer and Senior Vice President for Administration of MacroAsia Corporation. He is also the Treasurer of MacroAsia Properties Development Corporation (since 2013), Summa Water Resources, Inc. (since 2018), AlliedKonsult Eco-Solutions Corporation, Cavite AlliedKonsult Services Corporation (since 2019), and the Treasurer and Director of MacroAsia Airport Services Corporation (since 2011), MacroAsia Air Taxi Services, Inc. (since 2011), MacroAsia Mining Corporation (since 2004), Boracay Tubi System, Inc. (since 2017), Bulawan Mining Corporation (since 2018), First Aviation Academy Inc. (since July 2019), MacroAsia Catering Services Inc., MacroAsia SATS Food Industries Corporation, MacroAsia SATS Inflight Services Corporation (since 2019), Naic Water Supply Corporation (since 2020) and Aqualink Resources Development, Inc. (since 2021). He is currently the President of SNV Resources Development Corp. (since 2013), Cavite Business Resources Inc. (since 2016), Watergy Business Solutions, Inc. (since 2016), and a Director of Cebu Pacific Catering Services, Inc. (since 2004).

Prior to this, Mr. Sendin was the Vice President for Business Development and Administration of MacroAsia Corporation (2003-2019), President and Director of Naic Water Supply Corporation (2017-2019), Treasurer and Director of Cavite Business Resources, Inc. (2013-2015), Watergy Business Solutions, Inc. (2012-2015), Finance Manager of MacroAsia Catering Services, Inc. (2000-2003), and Finance Controller of MIASCOR Catering (1998-2000). He was the Operations Head of Amikris Enterprises (1993-1998) and a Resource Person of the Central Bank Institute (1992-1997). He was Projects Supervisor for SAS Service Partners/Saudia Catering in KSA (1992-1993). Mr. Sendin started his career with the Central Bank of the Philippines from 1983-1992, rising from a staff position until he became Division Chief/Staff Officer A.

Mr. Sendin is a holder of Masters in Accountancy from Polytechnic University of the Philippines, Bachelor of Science in Psychology from St. Louis University, and a Certificate in Organizational Development in 2000. He has also completed a Management Development Program in Switzerland.

Belgium S. Tandoc, Mr. Tandoc, 52, Filipino, a Certified Financial Consultant and Certified Data Protection Officer, has served as Vice-President for Business Development since July 2019. He joined the Business Development group of MacroAsia Corporation in March 2017. He is currently the Treasurer of Cavite Business Resources, Inc. and Director of Aqualink Resources Development, Inc. and MacroAsia Mining Corporation. Prior to joining the company, Mr. Tandoc served as the Vice-President – Finance and Business Development for SCCI Advisors and SCCI Management and Insurance Agency, Inc. from 2004 to 2016 where he led and implemented various private and government projects including packaging LGU Bond flotations. Mr. Tandoc started his career as a Business Analyst at Credit Information Bureau, Inc. in 1991 and left as a Group Head in 1994. From there he moved up to various positions in several investment houses and management & financial advisory companies where he worked in various fields including investment banking, corporate finance, credit, treasury and project development.

He holds a Bachelor of Science in Business Administration – Management and Bachelor of Science in Social Work degrees from the Pamantasan ng Lungsod ng Maynila. He is a member of the Financial Executives of the Philippines and a member/representative of German-Philippine Chamber of Commerce and Industry.

Atty. Florentino M. Herrera III, Atty. Herrera, 71, Filipino, has served as Corporate Secretary since December 2014. He is the founding partner of Herrera Teehankee & Cabrera Law Offices (established in 1986). He was formerly a Partner of one of the largest law offices in the Philippines. He has been engaged in the general practice of law for the past forty-five (45) years specializing in corporate law practice as counsel for various companies. Among others, he is a Director of Lufthansa Technik Philippines (LTP) (since 2017) and Alphaland Corporation (since 2018). He is the Corporate Secretary of Allianz PNB Life Insurance, Inc. (since 2016).

Atty. Herrera holds a Bachelor of Arts in Political Science degree and a Bachelor of Laws degree (Cum Laude, Salutatorian) both from the University of the Philippines.

ANNEX B – NATURE AND SCOPE OF BUSINESS

Originally under the name Infanta Mineral & Industrial Corporation, MacroAsia Corporation (the Parent Company or MAC) was incorporated in the Philippines on February 16, 1970 to engage in the business of geological exploration and development. As a mining firm, it had exported to Japan, nickel ore from its mine in Brooke's Point, Palawan during the 1970's. On January 26, 1994, its Articles of Incorporation was amended to change its primary purpose from geological exploration and development to that of engaging in the business of a holding company and to change its corporate name to Cobertson Holdings Corporation. On November 6, 1995, the SEC approved the amendment to the Company's Articles of Incorporation to change its name from Cobertson Holdings Corporation to its present name, MacroAsia Corporation.

In June 1996, the Parent Company incorporated two of its 100% wholly-owned subsidiaries namely: MacroAsia Properties Development Corporation (MAPDC), which operates the only special economic zone at the Ninoy Aquino International Airport (NAIA) and MacroAsia Air Taxi Services, Inc. (MAATS), which provides helicopter chartering services. The Company started its first in-flight catering business in August of 1996 through its associate - Cebu Pacific Catering Services, Inc. (CPCS), the only full-service airline catering company in Mactan-Cebu International Airport (MCIA) today. By November 1996, the Company incorporated its second in-flight catering venture, MacroAsia Catering Services, Inc. (MACS), which is the dominant caterer of foreign airlines in NAIA since it operated in 1998. Another subsidiary, MacroAsia Airport Services Corporation (MASCORP) was incorporated in 1997 to service the ground handling requirements of commercial passenger, cargo and military aircrafts.

Lufthansa Technik Philippines, Inc. – A Joint Venture with MacroAsia Corporation (LTP), an associate, was incorporated in December 1999, to do aircraft maintenance, repair and overhaul (MRO) in NAIA. With its facilities, LTP is a globally competitive company offering aircraft and engine maintenance, repair, and overhaul in the Philippines, with airline clients from almost all parts of the world.

MacroAsia Mining Corporation (MMC), another wholly owned subsidiary, was incorporated on September 25, 2000 to be an institutional vehicle through and under which the business of a mining enterprise may be explored, established, operated and maintained.

In 2016, MAC started to enter into water business in different locations outside Manila through its subsidiary, MAPDC. SNV Resources Development Corporation (SNVRDC) was established to complete waterworks system in Solano, Nueva Vizcaya, started operations in March 2016. In December 2016, MADPC acquired 67% of Boracay Tubi System, Inc. (BTSI), one of two current water concessionaires in Boracay Island. In August 2017, MAPDC acquired 100% of Naic Water Supply Corporation (NAWASCOR), a water utility company in Naic, Cavite.

MAC established a new business segment to support the growing demand for pilots through First Aviation Academy, Inc. (FAA). This company was incorporated in December 2017 to establish a training and skills assessment center for aviation professionals. Inauguration of FAA was held in February 2019 and started its first class in May 2019.

In October 2018, a subsidiary of MAC, Allied Water Services, Inc. (AWSI), formerly Airport Specialists' Services Corporation, acquired 60% of Summa Water Resources, Inc. (Summa) which operates in Bulacan and Albay. Summa's 40% owned subsidiary, Citicore Summa Water Corporation operates in Iloilo. Also, in July 2019, AlliedKonsult Eco-Solutions Corporation (AlliedKonsult), 51% owned by AWSI was incorporated to engage in construction of sewage and septage treatment plants and facilities including related collections, treatment and disposal services. In addition, in September 2019, Cavite AlliedKonsult Services Corporation, 100% owned by AlliedKonsult was incorporated to engage in construction of sewage and septage treatment plants and facilities including related collections, treatment and disposal services.

On March 16, 2019, MacroAsia Group took over Philippine Airlines' ground handling (through MASCORP) and catering requirements (through MacroAsia SATS Inflight Services Corporation (MSIS). Also, in March 2019, MacroAsia SATS Food Industries Corporation (MSFI) started producing meals for institutional clients.

On November 5, 2019, MAC has set its first footprint outside the Philippines through a partnership with Konoike Transport Co., Ltd. (Konoike). MAC acquired a 30% stake in Japan Airport Service Co. Ltd. (JASCO), while a 20% stake in MASCORP was acquired by Konoike. This expands the ground handling business of the MacroAsia Group.

On February 11, 2021, MAC incorporated Tera Information and Connectivity Solutions, Inc. (TICS) primarily to provide information management and data connectivity, including radio trunking and other services.

In 2022, MAC continued to operate mainly through its eight (8) subsidiaries and three (3) affiliates, as fully discussed below.

MacroAsia Catering Services, Inc.

MacroAsia Catering Services, Inc. (MACS) was incorporated on November 5, 1996, then with a corporate name of MacroAsia-Eurest Catering Services, Inc. (MECS), to primarily provide in-flight catering services in NAIA. When MACS started commercial operations on September 1, 1998, it was a joint venture between MacroAsia Corporation (67%) and two foreign partners: SATS Ltd. (then known as Singapore Airport Terminal Services at 20%) and Compass Group International B.V. (then known as Eurest International B.V., at 13%). By mutual agreement of the three JV partners, a sale and purchase agreement with Compass Group International B.V. was executed on June 28, 2006 whereby MAC acquired the 13% shareholdings of the Compass Group. Since then, MACS continued to operate as a joint venture between MAC (80%) and SATS (20%). In the same year, the Board of Directors of MACS decided to change its company name to MacroAsia Catering Services Inc. On September 14, 2015, MAC signed a deed of absolute sale covering the assignment and transfer of part of its MACS' stake (13%) to SATS Ltd., thus changing the ownership structure in MACS to 67% MAC and 33% SATS.

MACS' in-flight kitchen facility is situated in a two-hectare lot being leased from the Manila International Airport Authority (MIAA). MACS' inflight operations is based on a concession agreement with MIAA that grants the right to operate an in-flight catering service for civil and/or military aircraft operating at the NAIA and/or the Manila Domestic Airport. MACS secures such right by remitting the monthly Concessionaire's Privilege Fee (CPF) which is 7% of its gross income.

MACS consistently complies with both local and international hygiene standards and environmental regulations. MACS also holds HACCP and HALAL certificates conferred by independent and professional certifying organizations. To ensure that high standards are followed at all times, MACS maintains an in-house laboratory manned by licensed microbiologists who are capable of performing advanced testing.

Capturing 48% of the in-flight catering market based on the number of clients, MACS is the catering service provider to 16 full-service foreign carriers, freighters, VIP flights and General Aviation clients and 4 major airport lounges operating at the NAIA. MACS also has contract with several airlines to provide top-up meals and ground feeding in case of flight delays.

MACS is also providing food services management and meals to non-airline institutional clients outside NAIA. This business has grown in line with the expansion plans of MACS to go beyond its airline catering portfolio. Because of the significant growth of this business, MACS incorporated MacroAsia SATS Food Industries Corporation (MSFI) on July 14, 2015 as a fully-owned subsidiary to operate a new food commissary near the East Service Road, Muntinlupa City, to service the food production requirements of institutional clients and to support the inflight kitchens inside NAIA. This commissary has a 25,000 meals-per-day capacity with average utilization rate of 89% or 22,300 meals per day in 2022. MSFI also caters part of the food requirements of Cebu Pacific Air and operates the cafeteria and coffee shop in the new building of SMRI located in Diokno St. Pasay City. The property for this commissary is leased from MacroAsia Properties Development Corporation and has been operational since March 26, 2019.

As part of the company's expansion, MACS incorporated MacroAsia SATS Inflight Services Corporation (MSIS) on May 16, 2016 (a fully-owned subsidiary) which started to operate the inflight catering kitchen at the PAL Inflight Center, PAL Gate 3, Baltao St. cor MIA Road, Pasay City last March 16, 2019. Pre-pandemic, the subsidiary currently provides inflight catering services for an average of 21,000 meals per day to Philippine Airlines (PAL). In 2022, MSIS produced an average of 15,000 meals per day.

MACS has been the recipient of several awards and commendations for outstanding service, besting other service providers from all over the world. Last September 2019, EVA Air presented the 2018 Excellence in Catering Award – South East Asia to MACS, this is the second consecutive year that MACS ranked no.1 among 7 stations in SEA region. In 2018, MACS ranked 4th in Qatar Airways' network-wide catering service provider evaluation program. MACS was also a recipient of the ADB SPC Excellence Award in December 2018. In 2017, MACS was recognized by Qantas (QF) for its "On-time Performance, Safety and Service Delivery" and also by Japan Airlines for being part of the "2016 Best Airport Performance Award" received by the Manila Station. Last March 2017, Singapore Airlines awarded MACS the SQ Merit Award for catering excellence for fiscal year 2015-2016, a consistent feat for several years.

MACS has a wide supplier's base, both local and international and it is not dependent on any single raw material supplier. MACS operates a bonded warehouse facility inside NAIA under a Bonded Warehouse License and monitored by a Bureau of Customs representative. Based on its quality standards, regular supplier quality audits (SQA) are conducted by MACS' Quality and Food Safety Department Officers together with Purchasing and Production Department representatives at the supplier's premises to inspect and verify the compliance to its manufacturing and supply standards.

In 2022, 2021, and 2020, MACS' sales contributions to MAC's consolidated gross operating revenues were 17%, 16% and 24%, respectively. MACS' airline clients include Air Niugini (PX), All Nippon Airways (NH), Cathay Pacific (CX), China Airlines (CI), China Eastern (MU), Eva Air (BR), Gulf Air (GF), Japan Airlines (JL), Korean Air (KE), Oman Air (WY), Qantas Airways (QF), Qatar Airways (QR), Royal Brunei (BI), Saudia Airlines (SV), Singapore Airlines (SQ) and Xiamen Airlines (MF). MACS is also the preferred caterer for VIP flights from NAIA. Pre-pandemic MACS delivered as high as 6.2 million meals in 2019, at an average production of about 17,138 meals a day and services an average of 42 international flights a day, serving more than half of the foreign airlines that fly out of Manila. In 2022, MACS' average production is 6,000 meals a day and servicing an average of 18 flights per day. This is because of the travel restrictions imposed by multiple countries to contain the spread of the COVID-19 virus.

As of December 31, 2022, MACS and its subsidiaries, MSFI and MSIS, have core manpower complement of 640 individuals, excluding the 712 staffs contracted from external providers.

MACS is not aware of any existing or probable government regulations that would have an adverse impact on its on-going operations. It has no research and development activities/costs during the last three fiscal years.

MacroAsia Airport Services Corporation

MacroAsia Airport Services Corporation (MASCORP) was incorporated on September 12, 1997 to provide, manage, promote and/or service any and all ground handling requirements of military and/or commercial aircraft for passengers and cargo. MASCORP commenced its ground handling operations on April 19, 1999 at the NAIA, and has been generating both domestic and export sales. As of December 31, 2022, its work force consisted of 3,281 organic staff and 2,898 outsourced staff or a total of 6,179 which is 58% higher compared to same period in 2021.

On June 15, 1999 the company originally signed a joint venture agreement with Ogden Aviation Philippines B.V. to expand its international resource. Ogden Aviation Philippines B.V. was subsequently acquired by Menzies Aviation Group in 2001. By April 12, 2007, MacroAsia Corporation (MAC) acquired the 30% share of Menzies making MASCORP a wholly-owned subsidiary of MAC. On November 5, 2019, Konoike Transport Co. Ltd., a leading service contracting and logistics service provider in Japan, acquired 20% shares of the Company from MAC. Thus, decreasing MAC’s shareholdings to 80%.

Through its marketing efforts, coupled with the capability to offer a total aviation services product (in synergy with the catering and MRO business of MAC), and price competitiveness, MASCORP entered into new ventures in 2015. It started providing cargo services for PAL Express in Manila, apron cleaning of Lufthansa Technik Philippines’ (LTP) and Philippine Airlines’ (PAL) Terminal 2 ramp parking areas and ground support maintenance services for LTP in Manila, Cebu and Davao.

Aside from its current ground handling services to local and foreign clients in Manila for NAIA Terminals 1, 2, & 3, MASCORP is also operating in most key domestic destinations open to international flights to include Cebu, Kalibo, Davao, Clark, and Puerto Princesa. In 2017, its ground handling operations expanded to 17 more stations to support the operations of PALex.

The year 2018 opened doors to new opportunities for MASCORP to expand its foreign airline market share in Manila, Cebu, Clark, Kalibo and Davao. In the first half of the year, MASCORP started to handle the operations at Manila station of Jeju Air, Kuwait Airways, Turkish Airlines and Jetstar Japan and Cebu station operations of Jeju Air, Jin Air, Silk Air and Vanilla Air. Davao Station welcomed Silk air as its foreign airline client. In the last quarter of 2018, MASCORP started handling Philippine Airlines’ International Flight in Cebu - Terminal 2, Air Seoul in Kalibo, Tiger Air Taiwan in Cebu and Jeju Air in Clark Station.

In the first quarter of 2019, MASCORP took over full ground handling and cargo operations for Philippine Airlines and PAL Express at NAIA Terminals 2 and 3 as well as Mactan Cebu International Airport. MASCORP has also started its service partnership with the two major foreign carriers. Qatar Airways has chosen MASCORP as its ground handling agent for its Davao operations and MASCORP also started servicing United Airlines.

The effect of the COVID-19 pandemic was felt by MASCORP as early as the first quarter of 2020. With global travel restrictions limiting flight activities, majority of its operations were forced to stop, and airline service requirements were scaled down drastically. Without any certainty on when this pandemic will end, MASCORP had to adapt to a new reality and come up with solutions to continue to safeguard the safety and well-being of its employees and passengers due to COVID-19. With the reduction of flight activities and service requirements brought about by the COVID -19 pandemic, in order to ensure that its costs are managed, MASCORP had to put in place a retrenchment program to address labor cost issues as the decrease in flights has resulted in a surplus of manpower.

MASCORP continues to streamline its operations by keeping its workforce lean and ensuring full utilization of its resources to ensure its sustainability. While the 1st half of 2021 showed a promising uptrend on flight activities for both domestic and international sectors, the emerging threat of the highly transmissible delta variant of COVID-19 once again puts up yet another challenge to the travel industry. With 98% of its total organic workforce already inoculated as of December 31, 2021, MASCORP has given the assurance to its esteemed clients that its most important resources are protected to guarantee that its service commitments will not be compromised.

The demand for more manpower continues to increase as more flights are mounted both for Philippine Airlines and other foreign airlines clients. As of 3rd quarter of 2022, the flight activity has reached almost 85% of pre-pandemic flight levels for international travel and domestic travel has shown potential to surpass pre-pandemic flight activities. This surge in passenger movement has made a significant positive effect on MASCORP’s revenues and projections shows that this will be sustained and shall continue for the rest of the year. MASCORP continues to double its efforts to comply with the service requirements and consciously endeavor to maximize cost efficiency.

MASCORP contributes 41%, 53% and 46% of the Group’s total operating revenues for the year ended December 31, 2022, 2021 and 2020, respectively.

MASCORP’s operations is dependent upon its concession agreements with Manila International Airport Authority (MIAA) for Manila station (Terminal 1, 2 & 3), GMR Megawide Cebu Airport Corporation (GMCAC) for Cebu station, Luzon International Premier Airport Development Corporation (LIPAD) which took over Clark International Airport Corporation (CIAC) for Clark Station, and Civil Aviation Authority of the Philippines (CAAP) for Kalibo, Davao, General Santos, Basco, Laoag, Puerto Princesa, Busuanga, San Vicente, Bacolod, Iloilo, Antique, Legazpi, Tacloban, Roxas, Butuan, Cotabato, Dipolog, Camiguin, Siargao, Zamboanga, Tawi-tawi, Cagayan De Oro, Davao. Its concessions agreement with the new stations is currently being processed with CAAP.

MASCORP secures its concessions by regularly paying the monthly Concession Privilege Fee (CPF), which is computed at 7% for MIAA (Manila Station), and CAAP (Davao Station), 7% and 10% for domestic and international flight, respectively for GMCAC (Cebu Station), and 4.9% for LIPAD (Clark Station), of the monthly gross revenues on both domestic and international services.

MASCORP is not aware of any existing or probable government regulations that would have an adverse effect on its business. Given the nature of its business, it has no research and development activities during the last three fiscal years.

MacroAsia Air Taxi Services, Inc.

MacroAsia Air Taxi Services, Inc. (MAATS) is a wholly-owned subsidiary of MAC which was incorporated in June of 1996. MAATS is a licensed, non-scheduled domestic flight operator providing helicopter chartering services from its base at the General Aviation Area, Manila Domestic Airport to any point within the Philippines. The Company has five (5) regular employees as of December 31, 2021.

MAATS started commercial operations in October 1996 utilizing its Ecureuil AS350-B2, a 5-passenger rotary aircraft for its flight operations. In August 22, 2016, MAATS suffered the fortuitous unfortunate incident of losing its helicopter and crew in one flight mission hampered by unforeseen weather conditions. This tragic event halted MAATS' charter operations temporarily, and kept the revenue source as solely coming from FBO ground handling services.

Since January 2013, MAATS has added to its service portfolio the provision of services for Fixed-Based Operations (FBO), mainly to support the maintenance, repair, overhaul (MRO) clients of Lufthansa Technik Philippines. FBO work entails the provision of airport solutions or logistical support, facilitating and securing all the necessary permits for a smooth and trouble-free entry and exit of MRO flights. The airport solutions provided by MAATS enhances the marketing of LTP-Manila as an attractive MRO station for foreign airlines.

Today, MAATS has continued to focus on FBO services, rather than helicopter chartering.

There are no existing or probable government regulations that may have an adverse effect on MAATS operations. MAATS did not incur any research and development expenditures during the last three fiscal years.

MacroAsia Properties Development Corporation

MacroAsia Properties Development Corporation (MAPDC), another wholly owned subsidiary, was incorporated on June 4, 1996 to primarily engage in the acquisition, development and sale of real properties. After it completed its first infrastructure project in 1997 and following the Asian economic crisis, the company suspended pursuing further property development projects as a core business and refocused its efforts on aviation-support activities.

On August 31, 2000, MAPDC was registered as an Economic Zone (Ecozone) Developer/Operator with the PEZA. As such, it enjoyed tax incentives. It restarted commercial operations on the same date, this time as the ecozone developer/operator of the 23-hectare MacroAsia Special Ecozone at the NAIA, with LTP as its anchor locator for the next 25 years. LTP is an associated company of MAPDC as LTP is 49% owned by MAC.

MAPDC has a 25-year lease covering the 23-hectare property occupied by the Ecozone with the Manila International Airport Authority (MIAA). Today, the MacroAsia Special Ecozone is the only operational ecozone at the NAIA.

The MacroAsia Special Ecozone is presently managed by a lean team of core employees. The support services needed to maintain the ecozone are provided by contracted local service providers. Early in 2014, MAPDC acquired a 3-storey building near the East Service Road close to the Sucat Toll area in Muntinlupa City, which was developed and leased out as the commissary for food services to non-airline clients.

In 2015, MAPDC has entered into 2 long-term lease agreements with Mactan Cebu International Airport Authority for a total of 4.3 hectares inside the airport. Also in 2015, LTP assigned its leased area inside the Mactan Cebu International Airport to MAPDC, comprising 2.7-hectares of developed land proximate to MAPDC's new leased areas in the airport. On October 2, 2018, 5 hectares of these leased areas was approved and designated as a special ecozone for aviation-related services, to be known as MacroAsia Cebu Special Ecozone.

MAPDC serves as the vehicle for the entry of the Group into water services like bulk water supply or commercial retail of treated surface water in selected localities. Starting 2012, MAPDC has ventured into projects in various provinces outside of Metro Manila. One project entails the treatment of surface water from the Magat River in Cagayan Valley, and the piped distribution of the treated water to the homes of residents in the town of Solano, Nueva Vizcaya. To implement this project, MAPDC formed a 100%-owned subsidiary, SNV Resources Development Corporation (SNVRDC). Its commercial operations started in the first quarter of 2016. In December 2, 2016, MAPDC acquired 67% of Boracay Tubi System, Inc. (BTSI), one of the two water service providers in Boracay Island, Aklan. Geared toward building its water business segment, this was followed by the 100% acquisition of Naic Water Supply Corporation (NAWASCOR) in August 2017. NAWASCOR is a water utility company in Naic, Cavite which started its operations in 2003. In November 2020, MAPDC's NAWASCOR entered into a joint venture agreement with Maplecrest Group, Inc. (49% ownership) and incorporated Aqualink Resources Development, Inc. (ARDI) for a joint water project in Cavite. Aqualink started its operations in June 2021. Also in 2021, the construction of the 5MLD Water Treatment Plant for the Maragondon, Cavite Bulk Water Project was completed.

For the past three years, MAPDC's contributes minimal administrative revenues in effect of PFRS 16, while the water companies under MAPDC contributed 11% in 2022.

As of December 31, 2022, MAPDC has 21 regular employees and 34 outsourced staffs.

MAPDC is subject to PEZA rules and regulations and is not aware of any other existing or probable government regulations that may have any adverse effects on its business. MAPDC does not have any other significant agreements or patents, copyrights, licenses, franchises, concessions, or royalty agreement. It did not incur any research and development costs during the last three fiscal years.

First Aviation Academy, Inc.

First Aviation Academy Inc, (FAA) was incorporated on December 5, 2017 and has its training facility established and inaugurated in March 2019 in Subic Bay International Airport as an aviation career and resource center. Its business model was built on addressing the forecast shortage of professional pilots not only in the Philippines but worldwide. FAA is a joint venture flight school between MAcroAsia (51%) and PTC Holdings Corporation (49%).

Initially, FAA will provide ab initio pilot training, certification and aviation-related career development courses. Each graduate pilot will be a certified holder of a Private Pilot License (PPL), an Instrument Rating (IR), a Multi-Engine Rating (MER) and a Commercial Pilot License. They shall also be given an introductory course on Airline Transport Pilot Training (ATPT) that will guide them to their career goal of becoming professional airline pilots. Top graduates will also have a chance to become Flight Instructors (FI), providing a unique way to build up their flying hours while honing their instructor skills.

Other main features that set FAA apart from other flying schools in the country are its fleet of relatively brand new TECNAM Planes with full glass cockpit electronics instrumentation and the 2-brand new Redbird MCX simulators, the Redbird CE510 Citation Mustang, the TD2 G-1000 Trainers and the Redbird SD/CL Simulator. In June 2021, FAA has purchased 9 Cessna 172 planes and 1 Redbird Flight Simulator from the former Philippine Air Lines Aviation School (PALAV) to augment its fleet. Five (5) of these Cessna planes are equipped with glass cockpit instrumentation, known as the Garmin 1000. A newly built ATPT Sim trainer is also an added advantage in the FAA training program, wherein the student's knowledge and skills in flying the sophisticated Airbus planes will be enhanced in anticipation for their entry to Type Rating Course before becoming a full-pledged airline pilot. With bigger number of assets, FAA is able to train more pilots and become a major resource provider in aviation industry.

As of December 31, 2022, FAA has 73 pilot trainees and a workforce of 25 employees including 3 outsourced staffs.

FAA is compliant with DOH and CAAP safety and health protocols for operation during the ECQ. There are no existing or probable government regulations that may have an adverse effect on FAA operations. FAA did not incur any research and development expenditures during the last three fiscal years.

Allied Water Services, Inc.

On July 2, 1999, Airport Specialists' Services Corporation (ASSC), initially a wholly-owned subsidiary of MASCORP, was incorporated primarily to manage and to promote, service and/or provide manpower support for any and/or all ground handling requirements of private, military and/or commercial aircraft. ASSC commenced operations immediately after its incorporation but had ceased operations shortly thereafter. Toward the end of 2006, MAC acquired MASCORP's 100% ownership in ASSC. The effective ownership of MAC in ASSC was thus increased from 70% to 100%. Through the restructuring, the Company effectively acquired the 30% minority interest of Menzies Aviation Group in ASSC. Consequently, ASSC became a direct subsidiary of MAC.

Incorporated primarily as an aviation-support entity, ASSC was converted into a water holding company under the new name, Allied Water Services, Inc. (AWSI) on August 22, 2019. AWSI will establish, maintain and operate waterworks systems for potable water supply and/or wastewater treatment systems. Currently, there are two subsidiaries under AWSI namely, Summa Water Resources, Inc. (SWRI), and AlliedKonsult Eco-Solutions Corporation (AlliedKonsult) which remains under the project development stage. On September 13, 2019, Cavite AlliedKonsult Services Corporation (Cavite Allied) was incorporated. This is a wholly-owned subsidiary of AlliedKonsult that will engage in the construction of septage treatment plants and facilities. Inclined toward a spinoff of water business units, MAC is preparing its water segment to be transferred fully under AWSI from MAPDC.

On October 1, 2018, ASSC, purchased 60% shares of stock held by the former individual shareholders of SWRI. SWRI has supplied water treatment equipment and bulk water to private and government entities in several locations in the Philippines – Balesin, Mactan, Iloilo, Albay, Bulacan, and Cavite to name a few. In September 2018, Summa and Citicore Power Inc. formed a joint venture company named Citicore Summa Water Corporation (CS Water) of which the former holds 40% ownership. The joint venture was established to develop raw water sources and supply treated bulk water for its customers. In June 2019, CS Water signed a Joint Venture Agreement for the financing, development, rehabilitation, expansion, improvement, operation and maintenance of the water supply and septage management of Janiuay Water District.

There are no existing or probable government regulations that may have an adverse effect on AWSI operations. It did not incur any research and development costs during the last three fiscal years.

MacroAsia Mining Corporation

MacroAsia Mining Corporation (MMC), another wholly owned subsidiary of MAC, was incorporated on September 25, 2000 to serve as an institutional vehicle through and under which the business of a mining enterprise may be established, operated and maintained.

MMC temporarily focused on providing consultancy and mining exploration services, particularly on nickel areas and projects, in the 2010s. This started in 2013 wherein MMC served the exploration and drilling requirements for the nickel laterite deposits of some of the major nickel producers in the country.

Bulawan Mining Corporation (BUMICO) and Management Development Corporation (MADECOR), former subsidiaries of Philippine National Bank (PNB), have already been transferred to MMC. The former was officially purchased from PNB on November 15, 2018 and is now known as MMC BUMICO. The latter, meanwhile, was acquired on March 2, 2020 and is now called MMC MADECOR. The move is part of a bigger program on the spinning-off of the mining segment of MacroAsia Corporation.

The acquisition of BUMICO included its right for their Exploration Permit Application (EXPA 103-VII) over a 506-hectare area in Basay, Negros Oriental. The area has a high potential for copper-gold molybdenum–silver mineralization. Several copper and gold mining companies have shown interest in the area. In addition, MMC BUMICO also inherited the Operating Agreement with Philex Mining Corporation (PMC) in relation to the Bulawan Mining Project. Furthermore, MLC MRD 510 and EP 008-2010-VI which are under an agreement with Philex Gold Philippines, Inc. (PGPI) are now likewise part of the MMC portfolio. MLC MRD 510 is currently under the implementation stage of the Final Mine Rehabilitation and Decommissioning Plan (FMRDP). On the other hand, the application for renewal of EP 08-2010-VI is still pending MGB. Philex which has already made a partial submission of the requirements and has yet to provide an LGU Resolution attesting to the presentation of the EXPA.

On the other hand, MMC MADECOR has acquired EXPA 000100-VI from PNB MADECOR. It is covered by an agreement with PGPI. The said application has been granted Clearance for issuance of the permit based on a July 4, 2019 memorandum from MGB Central Office but subject to several conditions. The First Letter Notice regarding the conditions to be met was communicated to PGPI in July 10, 2020 and forwarded to PNB Madecor on August 19, 2020. MMC MADECOR, which has acquired PNB MADECOR, then transmitted the required documents to PGPI in September 29, 2020. PGPI has since submitted the documents to MGB Regional Office No. VI on October 14, 2020. MGB Region VI informed PGPI through a May 6, 2022-dated Second Letter Notice of the deficiencies for compliance. The revised tenement map requested by MGB was already submitted last June 15, 2022. There has been no feedback yet from MGB as of end of the year.

MMC has pending exploration permit applications (EXPAs) to mineralized areas in Carigara and Baybay City in Northern Leyte denominated as EXPA 000091-VII and 000092-VII. MGB Regional Office No. VII has endorsed the Environmental Work Program (EWP) for both EXPAs to the Office of the Director (MGB Central Office) on August 10, 2022.

On June 7, 2019, MAC, executed Deeds of Assignment (DOAs) in favor of MMC, wherein MAC assigned to the latter, all its rights and interests under its Mineral Production Sharing Agreements (MPSA) in Palawan. These DOAs were submitted for approval of the DENR as required by law. The Mines and Geosciences Bureau (MGB-DENR) approved the transfer on February 1, 2021.

The MPSAs that were assigned to MMC are Mineral Production Sharing Agreement (MPSA) Nos. 220-2005-IVB and 221-2005-IVB covering the 1,113.98 and 410.00 hectares, respectively, situated in Brooke's Point Palawan. With the DENR approval, these tenements are now recorded under MMC. The said MPSAs grant the company the exclusive right to explore, develop and commercially utilize nickel, chromite, iron and other associated mineral deposits within the contract area. MMC started discussions with other nickel mine operators to start the operations of at least the nickel mine due to the demand for this mineral for batteries, among others.

On July 29, 2021, MMC signed a memorandum of agreement with Calmia Nickel, Inc. (CNI) for the exploration and eventual mining operations of the Infanta Nickel Project (MPSA No. 220-2005-IVB). Confirmatory drilling activities commenced in early November 2021 as part of the due diligence work being conducted by CNI. Initial laterite samples have been sent to a laboratory in Manila for analyses. Current work focused on perfecting the permits for eventual mine operations.

As of December 31, 2022, MMC has three (3) regular employees.

MMC's present operations do not require the intensive use of raw materials. Therefore, it does not have any major existing supply contracts.

MMC is not aware of any other existing or probable government regulations that may have any adverse effects on its business. MMC does not have any other significant agreements or patents, copyrights, licenses, franchises, concessions, or royalty agreement. It did not incur any research and development costs during the last three fiscal years.

Tera Information and Connectivity Solutions, Inc.

Tera Information and Connectivity Solutions, Inc. (TICS) is a fully owned subsidiary of MAC and was incorporated on February 11, 2021. TERA was established with the main objective of serving as the Technology and Tier 1 Service Provider (In-house) of the whole MacroAsia Group (MAC). The pivot to ICT services is a necessity made evident by COVID19 and presents various opportunities that MAC can take advantage and capitalize on. Among the services that TERA will provide include information management, data connectivity, radio trunking and managed services.

There are no existing or probable government regulations that may have an adverse effect on TICS operations. TICS did not incur any research and development expenditures during its first year from incorporation.

Lufthansa Technik Philippines, Inc. – A Joint Venture with MacroAsia Corporation

Lufthansa Technik Philippines, Inc. (LTP) is a joint venture between MAC (49%) and Lufthansa Technik AG of Germany (51%). It provides a wide range of aircraft maintenance, repairs and overhaul (MRO) services at the NAIA, DMIA, MCIA, Kalibo International Airport, and Davao International Airport.

Following the signing of the joint venture agreement on July 12, 2000, and its subsequent registration with the Philippine Economic Zone Authority (PEZA) as an economic zone locator on August 30, 2000, LTP started its commercial operations on September 01, 2000. Since then, it has been recognized as an outstanding company that has consistently generated export revenues for the country.

As an ecozone locator, LTP has a 25-year lease contract with MacroAsia Properties Development Corporation (MAPDC). It has technical services agreements with PAL as a base client, as well as with other airlines, including Lufthansa Technik AG of Germany.

LTP also has a concession agreement with MIAA upon which its business operations are highly dependent. The agreement grants LTP the right to operate as a provider of aircraft MRO services at NAIA Terminals 1, 2 and 3. LTP secures such rights by yearly renewal of the agreement and paying the monthly CPF (7% of gross revenue).

On February 10, 2012, LTP opened its third aircraft hangar to accommodate maintenance works for the Airbus A380, the world’s biggest and most technologically advanced commercial aircraft today.

In 2015, LTP completed its project to expand its existing two hangar bays, thus increasing its service capability for A380 heavy maintenance checks, also enabling LTP to enter base maintenance for the B777. The hangar expansion was inaugurated in December 2015 and LTP had the first heavy check in its second A380 hangar in January 2016. In 2016, LTP welcomed its first Asian A380 customer, the South Korean carrier flew to Manila in April and May for C1-checks on two A380s. Furthermore, the B777 base maintenance capability build-up was completed in the later part of 2016 and having Philippine Airlines' B777 as its first customer in the first quarter of 2017.

In 2022, LTP completed the construction of Hangar 1A as part of its expansion project. The expansion aims to support business growth both in volume and in product portfolio. The new hangar can serve up to four more (4) narrow-body aircraft or alternatively, one (1) widebody and two (2) narrow-body. Its hangars are equipped with platform systems, overhead cranes, engine, tail, and wing docks. Modern and process-oriented workshops support aircraft overhaul, major modifications, cabin reconfiguration, and aircraft painting. In April 2022, Hangar 1A welcomed its first base maintenance customer.

LTP has sustained and further strengthened partnership with Philippine Airlines (PAL) as its major client for aircraft base and line maintenance, repair and overhaul services not only in LTP's Manila base maintenance facility but also in Line Stations in Clark, Cebu, Kalibo and Davao.

LTP has also intensified collaboration with Lufthansa Group operators to gain new long-term commitments for Lufthansa Airlines, Lufthansa Cargo and other LHT group affiliates for base maintenance. Extending the global clientele for Aircraft Base Maintenance LTP has welcomed the following operators in the facility: Air Busan, Asiana Airlines, British Airways, Cebu Pacific Air, Eurowings Discover, Indigo, Jetstar Japan, Korean Air, Saudia Airlines and VietJet Air.
Through improvement of products and services for Aircraft Line Maintenance, LTP has increased its capability to include the B787 for line maintenance providing services to the following customers ANA, Royal Brunei, and Etihad. With continued confidence, the following customers have renewed their commitments: Air Busan, Air China, Etihad, Jeju Air and Jin Air.

Aviation Authorities who have airworthiness oversight on these airline customers issue Approvals/Certifications to LTP for it to be able to provide MRO services to these airlines. LTP is approved/certificated by 20 Aviation Authorities worldwide as a provider of aircraft MRO services, including the Civil Aviation Authority of the Philippines (CAAP), the United States' Federal Aviation Administration (FAA), European Aviation Safety Agency (EASA), Korea MOLIT, Japan Civil Aviation Bureau (JCAB), Kingdom of Saudi Arabia GACA, India Directorate General of Civil Aviation (DGCA), Kuwait Directorate General of Civil Aviation (DGCA), and Brunei DCA (Department of Civil Aviation) among others. LTP is also an official Design Department of Lufthansa Technik AG EASA Part 21 Design Organization, enabling it to create in-house minor repairs/changes to aircraft. The extent of LTP's work/services largely depend on these Approvals/Certifications, which require/specify that LTP's services must be carried out in accordance with the relevant aviation regulations. These Approvals/Certifications are renewed either annually, every two, three or five years.

LTP's total manpower count and regular employees decreased by 3% from the prior year. They have a labor force of 2,569 by December 31, 2022. Of the total manpower count, 2,562 are regular employees.

LTP is not aware of any existing or probable government regulations that would have an adverse impact on its on-going operations. It has no research and development activities/costs during the last three fiscal years.

Cebu Pacific Catering Services, Inc.

Cebu Pacific Catering Services, Inc. (CPCS) is MacroAsia's first in-flight catering venture which started commercial operations in October of 1996. MAC has 40% equity in this joint venture, while its partners - Cathay Pacific Catering Services of Hongkong and MGO Pacific Resources Corporation hold 40% and 20% equity, respectively.

CPCS is the first and presently still the only full-service airline catering company at the MCIA. CPCS is an economic zone locator covering 3,050 sqm in Mactan, Cebu and services both domestic and international airlines.

CPCS owns a two-storey kitchen facility designed to fully meet projected total airline catering demands and to easily accommodate future expansion. The facility was designed and developed by Cathay Pacific Catering Services (HK). With its current portfolio of clients, the facility still has excess capacity to serve the requirements of Mactan Cebu International Airport in the years to come.

It procures its raw materials from the local market and does not have any major raw materials supply contracts. CPCS services Philippine Airlines, Korean Air and Asiana Airlines, Cathay Pacific as well as Cebu Pacific Airlines.

CPCS operations during the COVID-19 quarantine period in Cebu City from March 2020 to the present was impacted heavily due to the closure of Mactan-Cebu Airport at some point, and the slow return of air travel in the airport. Most flights were cancelled and a number of foreign airlines that had to land in Cebu for ferry-flights uplifted meals from their originating hubs.

As of December 31, 2022, CPCS has 52 regular employees.

As a registered entity, CPCS is subject to the rules and regulations of the Philippine Economic Zone Authority (PEZA). It is not aware of any existing or probable government regulations that would have an adverse effect on its operations.

CPCS does not have any other significant agreements or patents, copyrights, licenses, franchises, concessions, or royalty agreements. No research and development costs have been incurred by CPCS during the last three fiscal years.

Japan Airport Service Corporation

Japan Airport Service Co., Ltd. (also known as JASCO in Japan Aviation Industry) was founded on March 25, 1960 as an integrated ground handling company to provide safe flight operations, in addition to value-added quality services marked by on-time performance to 24 carriers operating out of Narita International Airport in Japan.

In 2017, JASCO joined the KONOIKE Group, a global enterprise listed on the First Section of the Tokyo Stock Exchange and has immediately become one of the strengths of KONOIKE Group's Airport Division. In line with the MAC and KONOIKE Group partnership which took place on November 5, 2019, MAC purchased 30% of JASCO through NKS Holding Co. Ltd., 100% Tokyo-based subsidiary of Konoike Transport Co. Ltd on December 6, 2019.

JASCO currently has six major functions including Flight Operation Management, Baggage Handling & Special Passenger Assistance Services, Cabin Cleaning, Loading/Unloading & Aircraft Movement, Cargo & Mail Handling and self-support GSE Maintenance. It is still organically growing its capacity and capability to support other fields of ground handling.

To fulfill its commitment for safe flight operation with high-quality services, JASCO tailors all Standard Operating Procedures (SOPs) based on the operational requirements of respective customer carriers and exercises “Point-and-Assured” strategy at every critical point of the process to ensure full compliance. Such exercise has earned JASCO a recognition for service excellence, with quite a few awards from its customer carriers.

As Japan government continued stringent cross-border travel restrictions under the spread of COVID-19 and its mutated variants, the flight resumptions remained low at 24.8% against the projected 35.4% on the budget for the second quarter, accordingly sales performance fell short of the target regardless of the facts that some newly freighter accounts are successfully procured.

Despite of the slow financial performance, operationally, JASCO was awarded as the Best Ground Handler out of Vietnam Airlines global system under the spread of COVID-19 and a recognition award from UPS in appreciation for the exceptional supports JASCO devoted to UPS operation throughout the global COVID-19 pandemic during the term.

To cope with the continued situation that passenger flight (including P-ferry) operations are still likely to be canceled even after slot application, a close monitoring over the flight performance is carefully exercised to manage temporary employee furlough to the extreme possible to apply for Japanese government financial relief package. At the same time, gradually swap the secondment programs to shorter term with more flexibility in preparation for the possible flight resumption by the lift-off of arrival quarantine requirements to be deregulated by Japanese government by 11 October 2022.

As the flight resumptions remain unclear due to various restrictions from certain major markets, subsequent quarter would still be a big challenge while necessary preparations, both human resources and GSE, need to be geared up so as not to miss any possible business opportunities.

JASCO is not aware of any existing or probable government regulations that would have an adverse effect on its operations. JASCO does not have any other significant agreements or patents, copyrights, licenses, franchises, concessions, or royalty agreements. No research and development costs have been incurred by JASCO since it became an affiliate of MAC.

ANNEX C – MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

In 2022, MAC carried on its operations mainly through its eight subsidiaries namely: MacroAsia Catering Services, Inc. (MACS); MacroAsia Airport Services Corporation (MASCORP); MacroAsia Air Taxi Services, Inc. (MAATS); MacroAsia Properties Development Corporation (MAPDC); First Aviation Academy, Inc. (FAA), Allied Water Services Inc. (AWSI), MacroAsia Mining Corporation (MMC), Tera Information and Connectivity Solutions, Inc. (TICS) and through its three associated companies, Lufthansa Technik Philippines, Inc. – A Joint Venture with MacroAsia Corporation (LTP), Cebu Pacific Catering Services, Inc (CPCS) and Japan Airport Service Co., Ltd. (JASCO). The companies were discussed comprehensively under Item 1. Description of the Business.

The two most important factors that affect the revenue levels of the aviation-services subsidiaries are passenger loads and flight frequencies of airlines. Other than the impact of COVID-19 on global and local travel and tourism, the Group is not aware of any other known trends or any other known demands, commitments, events or uncertainties that will have material impact on its liquidity.

The Group is not aware of having or anticipating any cash flow or liquidity problems within the next twelve (12) months. The Group generally sources its liquidity requirements through its increased revenues and collections. These are invested in placements with better yields.

The Group is not aware of any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Parent Company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures created during the reporting period.

The Group is not aware of any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations, other than the impact of COVID-19 to aviation and tourism related subsidiaries.

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

The Group is not aware of any current and future event that will cause a material change in the relationship, vertical and horizontal analyses, of any material item from period to period.

Other than the continuing impact of COVID-19 across all sectors, the Group is not aware of any seasonal aspects that have material effect on the financial statements.

Key Performance Indicators

The Group uses the following major performance measures. The analyses are based on comparisons and measurement on financial data of the current period against the same period of the previous year.

Return on Net Sales (RNS)

This ratio measures the amount of income, after all costs and expenses, including taxes are deducted, for every peso of net revenue earned.

(In Thousands except for Ratios)				2022	2021
Return on Net Sales	=	Total Net Income/(loss) / Total Net Revenues	=	₱461,434 / 4,883,508	(₱150,924) / 1,948,865
			=	9.45%	-7.74%

Net revenues pertain to the revenues of the subsidiaries of the Group, while the net income/(loss) includes our share in the profits/(losses) of our associates, LTP, CPCS and JASCO. The improvement in the consolidated RNS in the current period compared to same period last year is caused primarily by income contribution from our aviation-related and water companies especially MRO, and improvement in revenues generated by our operating subsidiaries in the current year compared to the same period last year.

Return on Investment (ROI)

This ratio measures the amount of income earned on invested capital.

(In Thousands except for Ratios)				2022	2021
Return on Investment	=	Net income/(loss) attributable to Equity holder of Parent / Total Interest-bearing Liabilities + Equity attributable to Equity holder of Parent		₱446,084 / 6,822,406	(₱2,162) / 6,402,429
			=	6.54%	-0.03%

Movement in ROI ratio is parallel to that of the RNS due to the Group's financial performance as discussed above. The Group had loans for a facility construction and equipment acquisition purposes in prior periods, which substantially have outstanding balances as of the period end.

Return on Equity (ROE)

This KPI is a measure of the owner's return for every peso of invested equity.

(In Thousands except for Ratios)				2022	2021
Return on Equity	=	Net Income/(loss) / Total Capital	=	₽461,434 / 4,381,788	(₽150,925) / 3,935,704
			=	10.53%	-3.83%

The ROE in 2022 improved compared to the same period of 2021, mainly due to the improvement in the financial performance of the Group.

Direct Cost and Expense Ratio

This ratio measures the average rate of direct costs and expense on products/services sold.

(In Thousands except for Ratios)				2022	2021
Direct Cost Ratio	=	Total Direct Cost / Total Net Revenues	=	₽3,969,757 / 4,883,508	₽1,992,107 / 1,948,865
			=	81.29%	102.22%

(In Thousands except for Ratios)				2022	2021
Operating Expense Ratio	=	Total Operating Expenses / Total Net Revenues	=	₽793,289 / 4,883,508	₽684,684 / 1,948,865
			=	16.24%	35.13%

The decrease in direct cost and operating expenses ratio of the group as compared to the previous year are related to the increase in revenues as a result of the improvement in business activities of the Group.

Current Ratio

This ratio measures the Group's ability to settle its current obligations.

(In Thousands except for Ratios)			2022	2021
Current Ratio	=	Total Current Assets / Total Current Liabilities	= ₱3,057,523 / 2,641,468	₱2,404,612 / 2,174,495
			= 1.16:1	1.11:1

The Group still has a healthy current ratio indicating the Group's solid ability to meet its current liabilities, with an adequate portion of current assets held as cash. The decrease in current liabilities was due to the net loans settlement and settlement of amounts owed to suppliers and service providers.

Debt-to-Equity Ratio

This ratio indicates relationship of the Group's debt to the equity of the owners.

(In Thousands except for Ratios)			2022	2021
Debt-to-Equity Ratio	=	Total Interest-bearing Debts / Total Equity	= ₱1,268,255 / 5,668,608	₱1,560,252 / 4,937,988
			= 22.37%	31.60%

The improvement in debt-to-equity ratio is due to the net decline of loans which remained outstanding at period end, while the equity increased due to net income earned and remeasurement gains during the current year.

Interest Coverage Ratio

This ratio measures the number of times the Group could make the interest payments on its debt with its earnings before interest and taxes.

(In Thousands except for Ratios)			2022	2021
Interest Coverage Ratio	=	Total Earnings/(Loss) before Interest and Taxes / Interest Expense	= ₱703,213 / 148,955	(₱83,080) / 159,710
			= 4.72 : 1	-0.52 : 1

As the Group started to report positive operating results during the current reporting period, it will be able to cover interest payments arising from its debts.

Asset-to-Equity Ratio

This ratio of the Group's total assets to its stockholder's equity measures the Group's leverage and long-term solvency. The equity multiplier is a measurement of a company's financial leverage.

(In Thousands except for Ratios)			2022	2021
Asset-to-Equity Ratio	=	Total Assets / Total Equity	= ₱11,504,694 / 5,668,626	₱10,470,087 / 4,937,988
			= 2.03 : 1	2.12 : 1

Ratio between total assets and total equity, indicates that the assets of the Group continue to be supported principally by shareholders' capital rather than debt.

2022 compared with 2021

The Group recorded a consolidated net income after tax of ₱461.43 million for the year 2022, a turnaround from the consolidated net loss after tax of ₱150.92 million in 2021. This income turnaround was driven largely by business volume growth across all the Group's business units.

In 2022, the Group's operations, particularly those related to aviation and travel have experienced a recovery in business volumes, although still below pre-pandemic levels for some business units like foreign airlines catering and groundhandling. During the pandemic period, the Group has been successful in growing its non-airline related businesses (water distribution and non-airline food business), contributing to overall revenue and net income growth.

Revenues from in-flight catering contributed 47% of the total revenues. Catering segment revenue significantly improved from last year's ₱592.16 million to the current year's ₱2,288.52 million a 286% increase compared to 2021. The improvement in revenue is aligned with the increase in meal count by 411% from 2.9 million to 14.98 million due to the sustained growth in meal volume.

The revenues from ground-handling and aviation services posted a revenue of ₱2.00 billion from ₱ 1.04 billion in 2021, a 93% improvement compared to 2021 driven largely by flight volume growth in the airports. Flights handled increased by a total of 63,805 flights (91%), from 70,457 in 2021 to 134,262 flights in the current year. The ground handling and aviation revenue contributed 41% of the total revenues.

Revenues from water operations contributed 11% of the total revenues. Revenues increase by ₱ 237.82 million (86%) to ₱515.01 million from ₱277.19 million during the same period last year. This increase is attributable to the increase in commercial water sales in Boracay, as the island has benefitted from more relaxed entry policies for visitors, and the revenue contribution of Aqualink Resources Development Inc. (ARDI), a new JV of our fully-owned Naic Water Services Corporation with Lancaster New City's developer, PRO-FRIENDS.

Billed volume of water in cubic meters ("cu.m.") have increased by 65% from 10.6 million cu.m. in 2021 to 17.5 million cu.m. in 2022.

Administrative revenues from ecozone remains flat as rates charge remains unchanged other than the short-term discount given to an ecozone locator during the pandemic in prior year. No revenues are being derived from chartered flights since August 2016. Currently, MAATS is generating income only from fixed-based operations (FBO) services.

Exploratory drilling revenue represents MMC's earnings from drilling contracts. The Company has not undertaken drilling contracts during the current year.

The aviation training school, First Aviation Academy ("FAA"), posted an increase in revenue by 258%, from ₱15.18 million in 2021 to ₱54.38 million in 2022. As COVID-19 restrictions eased and more training planes available following completion of license requirements from CAAP, operations started to scale-up during the current period.

Total direct costs in 2022 amounted to ₱4.00 billion, posting a increase of ₱2.00 billion (99%) from 2021. The increase is attributable to the increase in business operations across all business segments of the Group. Consolidated operating expenses increased by ₱325.70 million from last year's ₱467.59 million aligned with the business volume growth.

Share in net income of associates amounted to ₱470.85 million which increased by ₱153.02 million compared to same period in previous year represents MAC's share in the net operating result of its associated companies (LTP, JASCO and CPCS). Changes in equity shares from period to period are dependent upon the results of operations of the associated companies. One of the main contributors of the YTD net income for 2022 is the share in net income from LTP for MRO services amounting to ₱499.8 million, which is ₱149.2 million higher than the share in net income of ₱350.6 million in 2021. The reported net income of LTP in 2022 is attributable to significant improvement in its base maintenance business. Base maintenance revenue increased by 58% compared to 2021. Line maintenance revenue has declined by 11% compared to 2021 due to decline in serviced aircrafts.

CPCS - our catering associate in Cebu, reflected a net loss since airline meal orders were minimal. MAC booked its 40% net loss share in CPCS at ₱5.2 million, compared to last year's share in net loss of ₱5.7 million. JASCO-our ground handling associate in Japan, contributed a loss of ₱35.9 million compared to last year's ₱43.0 million representing the 30% share in net loss of MAC.

The interest income of ₱3.90 million pertains to income earned from short-term investments, and from installment receivables. Financing charges decreased from ₱159.71 million in 2021 to ₱148.95 million in 2022, due to the decrease in interest from loans aligned with the decrease in amount of loan outstanding.

Foreign exchange gains were booked during the year due to currency fluctuations where US$ strengthens compared to Php.

The Group posted an income tax expense of ₱92.82 million compared to the income tax benefit in the amount of ₱91.86 million in 2021 where the Group utilized its NOLCO aligned with the increase in taxable income during the year.

Financial Position

At the consolidated level as of December 31, 2022, our total assets stood at ₱11.50 billion is posting an increase of ₱1.03 billion (9.9%) from ₱10.47 billion in December 31, 2021. The increase is attributable to the contribution from the investment in associate primarily from share in income contribution of LTP net of dividend declared and from receivables and other contract assets due to business volume growth. Cash and cash equivalents of ₱468.02 million decreased by ₱35.63 million (7%), which is mainly due to debt-servicing and capital expenditures offset by receipt of dividend from LTP. The cash balances of the operating subsidiaries are preserved to meet their currently maturing obligations.

Receivables and contract assets increased by ₱539.83 million (39%) due to due to business volume growth. Inventories of ₱139.35 million were maintained in line with forecasted inventory level requirements. Other current assets of ₱541.28 million represents input taxes, creditable withholding and prepaid taxes and unamortized prepayments for insurance covers, rent, utilities and unconsumed supplies as of December 31, 2022.

Investments in associates are accounted for under the equity method of accounting in the consolidated financial statements. Movements in the account are contributed by the share in cumulative translation adjustments for LTP and JASCO due to foreign exchange fluctuations, share in re-measurement gains and losses on defined benefit plans due to the revised PAS19, share in cash dividends declared during the current period, and the incremental equity share in net earnings/loss of the associated companies. The Group recorded an increase of 33% or ₱600.48 million in this investment account, from ₱1.85 billion in 2021 to ₱2.45 billion in 2022.

The group's property and equipment of ₱2.22 billion decreased by ₱130.20 million from last year's ₱ 2.35 billion due to straight-line depreciation of depreciable assets over its useful life and is offset by capital expenditures of the water subsidiaries and aviation segment subsidiaries.

Input taxes-net represent VAT paid on purchases of goods and services that can be recovered as tax refund/credit from the Bureau of Internal Revenue (BIR) or the Bureau of Customs. The Group also has input taxes arising from acquisition of property and equipment and other assets.

The carrying amount of deferred income tax assets of ₱115.69 million as of December 31, 2022. Decrease in deferred tax assets pertain decrease in income tax benefit from NOLCO and is offset by the increase in income tax recoverable in the future periods related to the accrual of retirement benefits and monetizable sick leave and vacation leaves as a result of remeasurement. Intangible assets and goodwill increased by ₱4.56 million (2%) due to additions to intangible assets and is offset by straight line amortization. Other noncurrent assets account includes advances to contractors and suppliers of ₱62.06 million, equity investments designated at fair value through other comprehensive income (FVTOCI)/ available for sale (AFS) investments ₱105.16 million, deferred project costs ₱42.78 million, deposits of ₱45.67 million, deferred mine exploration costs of ₱238.51 million, installment receivables-net of current portion ₱4.59 million, contract asset-net of current portion of ₱77.14 million, pension assets of ₱7.74 million, and deferred rent expense of ₱ 25.57 million. The goodwill recognized by the Group amounting to ₱127.84 million resulted from the Company's acquisition of a non-controlling interest (13%) from a previous stockholder of MACS in 2006 and the purchase by MAPDC of 67% of BTSI in 2016, 100% of NAWASCOR in 2017 and ASSC of 60% of SUMMA in 2018.

Service concession right amounting to ₱415.63 million pertains to incurred construction costs in relation to the construction of water treatment plant and pipe laying activities of SNVRDC and right for water supply and distribution of NAWASCOR. This asset was accounted for in accordance to IFRIC 12, Service Concession Arrangements, under the intangible asset model as SNVRDC received the right to charge users of the public service.

Accounts payable and accrued liabilities increased by ₱612.88 million (41%) as of December 31, 2022. Net increase in the amount pertains to amount owed to suppliers and service provider as a result of business volume growth.

Loans payable of ₱1,268.26 billion refers to the loan availed from local banks by several companies under the Group to finance their asset acquisition as a result of business expansion which remain outstanding as of year-end. Net decrease in loans payable pertains payment of currently matured loans.

Accrued retirement benefits payable of ₱103.03 million and other long term employee benefits amounting to ₱22.58 million is accounted for based on the latest actuarial valuation of the Group. Deferred tax liabilities of ₱95.23 million decreased from prior year's ending balance ₱117.81 million due to deferred tax impact on the changes in fair value of equity investments designated at FVTOCI and amortization of right of use assets. Dividends payable of ₱31.97 million shows the remaining outstanding checks payable by the Parent Company for the cash dividends declared to MAC shareholders and outstanding dividends to non-controlling interest of MAC's subsidiary.

The Group's other reserves pertain to MAC's gain on the sale of 13% of MACS shares of stock to SATS, and the sale of MASCORP's 20% shares to Konoike Transport Co., LTD. ("Konoike"), net of taxes paid. This is accounted for in accordance with International GAAP 2015 on sale of shares of stock without loss of control. Other components of equity pertain to Reserve for fair value changes of financial assets investments amounting to ₱69.72 million, the Parent Company's share in foreign currency translation adjustments (loss) of LTP and JASCO in the amount of ₱132.78 million which changes in accordance with US$ and JPY exchange rate fluctuations during the period covered, MAC's share in re-measurements of defined benefit plan of associates, and re-measurements of defined benefit plans of subsidiaries.

Movement in the "non-controlling interests" depends on the results of operations of MACS, AWSI, BTSI and subsidiaries of MAPDC with JV partners. This account reflects the 33% equity share of SATS (JV Partner of MAC) in the catering JV,40% share of minority shareholders in SUMMA, 33% share of minority shareholders in BTSI, 49% share of PTC Holding, Inc. ("PTC") in FAA, 20% share of Konoike in MASCORP and 49% share of minority shareholders in Allied Konsult, and 49% share of minority shareholder of ARDI. As of December 31, 2022, non-controlling interests amounted to ₱114.46 million.

2021 compared with 2020

The Group recorded a consolidated net loss after tax of ₱150.92 million for the year 2021, a significant decline in reported loss of (92%) from the reported consolidated net loss after tax of ₱ 1,800.21 million in 2020. The reversal of impairment provisions, together with the share in net earnings of an associate, principally resulted to the decline in reported loss in the current year.

During the current year, the Infanta Nickel Mine generated advanced royalty receipts from a mining operator, justifying the reversal of impairment provision on deferred mine exploration costs amounting to ₱217.0 million. With the agreement that was signed with this mine operator, it is expected that the nickel mine will operate soon, and is expected to provide recurring cash inflow through royalty payments. In addition, an associate Company LTP has turnaround to profitability in the current year and has then contributed a share in net earnings.

Revenues from in-flight catering contributed 30% of the total revenues. Catering segment revenue decline from last year's ₱950.9 million to the current year's ₱592.2 million a 38% drop compared 2020. The decline in revenue is aligned with the decline in meal count by 35% from 4.5 million to 2.9 million due to the decline in demand for air travel as a result of the COVID-19 pandemic, however towards the last quarter of the year relaxation of capacity restrictions was observed in line with the government's efforts to balance reopening of the economy and address the spread of the coronavirus. In addition, the non-airline commissary has obtained new clients which has contributed volume growth in the last quarter of the current year.

The revenues from ground-handling and aviation services posted a revenue of ₱1.042 billion from ₱ 1.035 billion in 2020, a 1% drop compared to 2020. Flights handled declined by a total of 1,626 flights (2%), from 72,083 in 2020 to 70,457 flights in the current year. In 2020, the first 2 and ½ months of the year still saw normal airport operations, as the airport closures and restrictions in the Philippines commenced in mid-March 2020 and has subsequently then started the decline in business operations. However, towards the last quarter of prior year and during the year, the number of flights is slowly improving as quarantine measures are slowly eased. The ground handling and aviation revenue contributed 53% of the total revenues.

Revenues from water operations contributed 14% of the total revenues. Revenues increase by ₱ 55.76 million (25%) to ₱277.19 million from ₱221.42 million during the same period last year. This increase is attributable to the significant revenue contribution of Aqualink Resources Development Inc. (ARDI), a newly incorporated Company for a joint water project in Cavite between MAC through its wholly owned subsidiary NAWASCOR and Lancaster New City developer, PRO-FRIENDS.

The significant boost in revenue from ARDI is offset though by the continuing downturn of commercial water sales in Boracay, as the island was impacted by the tourism health protocol restrictions due to COVID-19 restrictions but towards the last quarter of 2021, revenue from BTSI has improved, as well as the termination of SUMMA's bulk water supply contract with Marilao Water District. Billed volume of water in cubic meters ("cu.m.") have increased by 163% from 6.5 million cu.m. in 2020 to 10.6 million cu.m. in 2021.

Administrative revenues from ecozone remains flat as rates charge remains unchanged other than the short-term discount given to an ecozone locator during the pandemic in prior year. No revenues are being derived from chartered flights since August 2016. Currently, MAATS is generating income only from fixed-based operations (FBO) services.

Exploratory drilling revenue represents MMC's earnings from drilling contracts. The Company has not undertaken drilling contracts during the current year. The assignment of MAC in favor of MMC of the Mineral Production Sharing Agreement (MSPA) for the Infanta Nickel Project has been approved by the DENR.

The aviation training school, First Aviation Academy ("FAA"), posted a revenue of ₱15.2 million in 2021 which is same level of revenue recognized in 2020 due to stricter restrictions in periods of COVID-19 cases surge which limited conduct of trainings, however in 2nd half of the year, restrictions started to ease up.

Total direct costs in 2021 amounted to ₱2.00 billion, posting a decrease of ₱372.49 million (-16%) from 2020. The decline is a result of cost-containment measures put in place to align with the business volume downturn due to COVID-19. Consolidated operating expenses decreased by ₱ 246.97 million from last year's ₱931.66 million mainly due to cost saving measures implemented by the Group for cash preservation, and in prior year, the Group incurred one-time significant costs for the rightsizing of the operating aviation-related subsidiaries through voluntary retirement and retrenchment, reflecting an decrease in the employee benefits in current year. Also as a result of the COVID-19 pandemic, there was an observable credit deterioration on the receivables in prior year, mostly from airline clients, resulting to the need to accrue provisions for impairment of these financial instruments, however due to improvement in collection, a portion of the provision for expected credit loss has been reversed during the year.

In 2021, a share in net income of associates was booked, amounting to ₱317.83 million in contrast to 2020 where a share in net loss of associates amounting to ₱639.81 million was recorded. This represents MAC's share in the net operating result of its associated companies (LTP, CPCS and JASCO). Changes in equity shares from period to period are dependent upon the results of operations of the three associated companies. Share in net income of LTP amounted to ₱350.6 million compared to share in net loss of ₱599.0 million in 2020. The net income reported by LTP in 2021 is due to reversal of portion of provision for impairment amounting to ₱706.7 million (US$14.4 million) recognized in prior year. LTP has assessed its receivables to have significant impairment in collectability due to the impact of the pandemic to the aviation industry in prior year however, due to improvement in collection in the current year, portion of the provision was reversed. Revenue from line maintenance improved by 16% compared to prior year due to more flights are mounted although still affected by government-imposed restrictions. Revenue from the base maintenance dropped by 23% compared to prior year due to postponement of checks by the customers. The significant cost saving partially compensated the decline in revenues.

CPCS - our catering associate in Cebu, still reported a losses as the Company was temporarily closed from the declaration of lockdown until the period-end. MAC booked its 40% net loss share in CPCS at ₱5.70 million, compared to last year's ₱10.42 million. Share in net loss from JASCO (Japan) amounted to ₱43.0 million as an aviation related entity, loss is due to the decline in demand from air travel due to the COVID-19.

The interest income of ₱2.79 million pertains to income earned from short-term investments, and from installment receivables. Financing charges increased from ₱132.52 million in 2020 to ₱159.71 million in 2021, due to increase in interest on lease liabilities from the long term leased water facility of ARDI. The portion of the lease payment to the lessor is being amortized as interest expense over the lease term and is offset by the decrease in interest from loans aligned with the decrease in amount of loan outstanding.

Foreign exchange gains were booked during the year due to currency fluctuations where US$ strengthens compared to Php.

The Group posted an income tax benefit in the amount of ₱91.86 million in 2021, higher compared to 2020's ₱9.30 million tax benefit. Increase in income tax benefit is attributable to NOLCO recognition.

Financial Position

At the consolidated level as of December 31, 2021, our total assets stood at ₱10.48 billion is comparative from last year-end's level of ₱10.40 billion. The increase is attributable to increase in investment in associate primarily from share in income contribution of LTP and in increase in right of use asset for the long-term lease of a water facility by ARDI, a newly incorporated subsidiary of Nawascor which was offset by the decline in cash and cash equivalents and receivables and other contract assets. Cash and cash equivalents of ₱503.10 million decreased by ₱765.13 million (60%), which is mainly due to debt-servicing, capital expenditures and operating cash flow requirements. The cash balances of the operating subsidiaries are preserved to meet their currently maturing obligations.

Receivables and contract assets declined by ₱412.08 million (24%) due to collection of trade receivables. Collection of trade receivables is greater than the increase in credit sales due to gradual phase of recovery in operations of the aviation sector. Inventories of ₱102.30 million were maintained in line with forecasted inventory level requirements. Other current assets of ₱429.61 million represents input taxes, creditable withholding and prepaid taxes and unamortized prepayments for insurance covers, rent, utilities and unconsumed supplies as of December 31, 2021.

Investments in associates are accounted for under the equity method of accounting in the consolidated financial statements. Movements in the account are contributed by the share in cumulative translation adjustments for LTP and JASCO due to foreign exchange fluctuations, share in re-measurement gains and losses on defined benefit plans due to the revised PAS19, share in cash dividends declared during the current period, and the incremental equity share in net earnings/loss of the associated companies. The Group recorded an increase of 36% or ₱485.01 million in this investment account, from ₱1.37 billion in 2020 to ₱1.85 billion in 2021.

The group's property and equipment of ₱2.35 billion decreased by ₱89.15 million from last year's ₱ 2.44 billion due to straight-line depreciation of depreciable assets over its useful life and is offset by capital expenditures of the water subsidiaries and the aviation school.

Input taxes-net represent VAT paid on purchases of goods and services that can be recovered as tax refund/credit from the Bureau of Internal Revenue (BIR) or the Bureau of Customs. The Group also has input taxes arising from acquisition of property and equipment and other assets.

The carrying amount of deferred income tax assets of ₱172.50 million as of December 31, 2021. Increase in deferred tax assets pertain recognition of NOLCO and is offset by the reversal in income tax recoverable in the future periods related to the accrual of retirement benefits and monetizable sick leave and vacation leaves as a result of remeasurement. Intangible assets and goodwill decreased by ₱5.04 million (-2%) due to straight line amortization of intangible assets. Other noncurrent assets account includes advances to contractors and suppliers of ₱48.4 million, equity investments designated at fair value through other comprehensive income (FVTOCI)/ available for sale (AFS) investments ₱83.16 million, deferred project costs ₱42.78 million, deposits of ₱40.32 million, deferred mine exploration costs of ₱237.49 million, installment receivables-net of current portion ₱18.67 million, contract asset-net of current portion of ₱91.36 million, pension assets of ₱21.02 million, and deferred rent expense of ₱25.79 million. The goodwill recognized by the Group amounting to ₱127.84 million resulted from the Company's acquisition of a non-controlling interest (13%) from a previous stockholder of MACS in 2006 and the purchase by MAPDC of 67% of BTSI in 2016, 100% of NAWASCOR in 2017 and ASSC of 60% of SUMMA in 2018.

Service concession right amounting to ₱418.80 million pertains to incurred construction costs in relation to the construction of water treatment plant and pipe laying activities of SNVRDC and right for water supply and distribution of NAWASCOR and SUMMA. This asset was accounted for in accordance to IFRIC 12, Service Concession Arrangements, under the intangible asset model as SNVRDC received the right to charge users of the public service.

Accounts payable and accrued liabilities decreased by ₱216.19 million (-13%) as of December 31, 2021. Net decrease in the amount pertains settlement of amount owed to suppliers and service provider and release of retentions from contractors.

Loans payable of ₱1,560.25 billion refers to the loan availed from local banks by several companies under the Group to finance their asset acquisition as a result of business expansion which remain outstanding as of year-end. Net decrease in loans payable pertains payment of currently matured loans.

Accrued retirement benefits payable of ₱99.70 million and other long term employee benefits amounting to ₱21.88 million is accounted for based on the latest actuarial valuation of the Group. Deferred tax liabilities of ₱123.85 million decreased from prior year's ending balance ₱118.80 million due to deferred tax impact on the changes in fair value of equity investments designated at FVTOCI and amortization of right of use assets. Dividends payable of ₱31.97 million shows the remaining outstanding checks payable by the Parent Company for the cash dividends declared to MAC shareholders and outstanding dividends to non-controlling interest of MAC's subsidiary.

The Group's other reserves pertain to MAC's gain on the sale of 13% of MACS shares of stock to SATS, and the sale of MASCORP's 20% shares to Konoike Transport Co., LTD. ("Konoike"), net of taxes paid. This is accounted for in accordance with International GAAP 2015 on sale of shares of stock without loss of control. Other components of equity pertain to Reserve for fair value changes of financial assets investments amounting to ₱51.02 million, the Parent Company's share in foreign currency translation adjustments (loss) of LTP and JASCO in the amount of ₱57.40 million which changes in accordance with US$ and JPY exchange rate fluctuations during the period covered, MAC's share in re-measurements of defined benefit plan of associates, and re-measurements of defined benefit plans of subsidiaries.

Movement in the "non-controlling interests" depends on the results of operations of MACS, AWSI, BTSI and subsidiaries of MAPDC with JV partners. This account reflects the 33% equity share of SATS (JV Partner of MAC) in the catering JV,40% share of minority shareholders in SUMMA, 33% share of minority shareholders in BTSI, 49% share of PTC Holding, Inc. ("PTC") in FAA, 20% share of Konoike in MASCORP and 49% share of minority shareholders in Allied Konsult, and 49% share of minority shareholder of ARDI. As of December 31, 2021, non-controlling interests amounted to ₱95.81 million.

Plans and Prospects

With the aviation industry pivoting toward an optimistic recovery, MacroAsia is looking at a promising year ahead. Easing up on border restrictions, the Philippines showed a busier air traffic over the past year which highly benefited the Group's aviation-related businesses. In order to keep up and maintain this momentum, MacroAsia strengthens its support to its main business segments including airline catering, MRO and ground handling services while maximizing the opportunities in water treatment and distribution and non-airline food business. Additionally, MacroAsia has ventured into ICT solutions services within the Group and its affiliates. It has also started utilizing its mining assets. Geared to a steadfast growth and recovery in 2023, MacroAsia continues to effect sustainable cost leadership within the Group.

MRO (Aircraft Maintenance, Repair, Overhaul):
Lufthansa Technik Philippines (LTP) has completed the construction of its new hangar, Hangar 1-A which was initially intended for the base maintenance of narrow-body aircrafts in 2022. However, due to the high demand for the maintenance of A380 aircraft, the new hangar is currently in the process of upgrading its capability. LTP is looking for expansion outside Metro Manila to cater to the requirements of the narrow-body market. In 2023, the line business will inevitably grow and positively return to its pre-pandemic status with the additional capacity.

FOOD SERVICES:
Inflight Food: The Group's inflight catering services business through MacroAsia Catering Services (MACS), and MacroAsia SATS Inflight Services (MSIS), showed a drastic increase in meal volumes in 2022 as compared with its 2021 performance. With the increasing demand for airline catering, Cebu Pacific Catering Services (CPCS) is being revamped for operations this upcoming year. CPCS will be servicing the requirements of PAL for its direct flights in Cebu going to various international airports.

Non-Airline Food: MacroAsia SATS Food Industries (MSFI) breached its 2021 utilization through its high-profile clientele in 2022. Effectively, the institutional catering was able to grow its portfolio through its extensive marketing efforts and partnerships. The Group is also optimistic to further increase its current capacity in anticipation for its additional clients in 2022.

GATEWAY SERVICES:
The Group's ground handling business, through MASCORP which is present in 26 airport stations all over the Philippines saw its workforce decline as airports all over the country went into hibernation. Only 3 key airports (NAIA, Clark, Cebu) became substantial entry points for airline travel during the quarantine period in the Philippines. Due to relaxation of capacity restrictions in line with the government's efforts to balance reopening of the economy and address the spread of the coronavirus and increase in vaccination rates, business volume is expected to improve. The Group's revenues from gateway services will also go beyond ground handling, as this will include apron ramp cleaning, maintenance of ground support equipment (GSE) and cargo handling.

PROPERTY DEVELOPMENT:
Maintaining a status quo in property development, MacroAsia through its wholly owned subsidiary, MacroAsia Properties Development Corporation collaboratively

works with its subsidiaries and affiliates for contracted servicing and construction. This model is being utilized to make way for revenues in 2023.

AVIATION TRAINING:
As the flight restrictions in Subic Bay International Airport (SBIA) were lifted, First Aviation Academy, Inc. (FAA) was able to resume to its training operations. Successfully, FAA had its first batch of graduates of 24 pilot trainees last December 2022. Moving forward, the pilot training academy is preparing for a cross-border partnership that will allow foreign enrollees to get commercial pilot license here in the Philippines.

In previous years, the Group has ventured into natural resources development, considering its rich history as a mining company in the 1970's.

MINING:
With the moratorium in mining getting lifted, MacroAsia has successfully signed an agreement in 2021. In 2022, explorations have been done and affirmed presence of nickel in its properties. The Group is expecting the shipment of nickel starting in 3rd quarter in 2023. This will start providing recurring cash inflow through royalty payments.

WATER BUSINESS:
Proving its flexibility in the pandemic, the Water Segment of the Group has significantly increased its revenues. With the tourism industry getting back to normal, BTSI has shown a massive growth in its performance during the last year. This is further expected to improve in 2023.

The Cavite-based business units, NAWASCOR and Aqualink have both recorded positive results in 2022. Venturing outside their current service areas, NAWASCOR and Aqualink are expected to grow by at least 50% by the end of 2023. Adding to the market share in Cavite, Cavite Alliedkonsult, a project company under the partnership of MacroAsia and EnviroKonsult has been inaugurated in 2022. Cavite AlliedKonsult owns the biggest septage treatment facility in the Philippines with the capacity of 400 to 600 cubic meters per day. Cavite AlliedKonsult will be servicing the septage management of the Group and various private water providers as well as the water districts with the Province of Cavite.

Through its original equipment manufacturer subsidiary, Summa Water Services, Inc., MacroAsia has continuously built portable water treatment plants for various LGUs and government agencies. In 2023, the Group is looking at a more diversified client portfolio for Summa Water while maintaining good relationships with its existing customers.

The Group targets a total of One Billion Pesos of consolidated revenues from its Water Business Segments in 2023.

New Prospects
Foray into telecom (radio trunking)
With the intention to optimize the Group's current ICT requirements, MacroAsia through its wholly owned subsidiary, Tera Information and Connectivity Solutions, Inc. have ventured into providing ICT solutions within the Group. Tera has partnered with several entities to

prepare the Group in its digitalization efforts to further adapt to the impacts of the COVID-19 pandemic.

The MAC Group is anticipated to surpass the effects of the pandemic in 2023. With a more stable cash flow generation from its subsidiaries, MacroAsia aims to further invest in new businesses. Additionally, the positive outturn in its mining and water business segments show their preparedness for the spin-off in the next two years.

Information on Independent Accountant and Other Related Matters

External Audit Fees and Services

	2022	2021
Regular annual audit of financial statements	₱6,775,000	₱6,110,000
Non audit fees	-	-
Total	**₱6,775,000**	**₱6,110,000**

<u>Audit Fees and Audit-related Fees</u>

SGV & Co. was engaged by the Corporation to audit its annual financial statements in connection with the statutory and regulatory filings or engagements for the years ended 2022 and 2021. The audit-related fees pertain to assurance and services that are reasonably related to the performance of the audit.

<u>Tax Fees</u>

No tax consultancy services were secured from SGV & Co. for the past two (2) years.

<u>All Other Fees (Non-audit fees)</u>

No other services were secured from SGV & Co. for the past two (2) years.

Audit Committee's Approval Policies for the Services of External Auditor

All services to be rendered and fees to be charged by the external auditors are presented to and pre-approved by the Audit Committee. An audit planning meeting is conducted at least one month before the actual performance of work. The meeting includes discussion of the following:

a. client service team
b. scope of audit work
c. updates for management
d. possible risk areas and suggested Management action plans to strengthen internal controls
e. coordination with the audit of subsidiaries and associates
f. audit work plan and critical dates
g. expectations settings

Independent Public Accountants

SyCip Gorres Velayo & Co. (SGV & Co.) has acted as the Group's independent public accountant. Audit Partner-in-Charge, Mr. Kristopher S. Catalan of SGV & Co. handled the financial audit for the year ended December 31, 2022. Among his clients are the largest companies in the consumer products, technology, asset management, air transportation, agricultural businesses, industrial goods, construction and real estate industries. He is a member of the SGV & Co.'s Capital Markets Center and the Accounting Standards Group. He is highly knowledgeable in Revenue Recognition, Business Combinations and Leases. He is also a frequent resource person in training on International Financial Reporting Standards (IFRS) and Assurance.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no other changes in or disagreements with accountants during the last three (3) calendar years or any subsequent interim period.

Corporate Governance

Evaluation System

The provisions of the Manual on Corporate Governance vis-à-vis the Self-Rating Form on Corporate Governance are regularly reviewed to ensure compliance and identify potential improvements. Deviations, if any, are discussed during the Regular Board Meeting of the Corporation.

Measures To Fully Comply

In line with SEC Memorandum Circular No. 20 Series of 2013, the Corporation's Directors and top-level management attend, on an annual basis, Strategic and Corporate Governance Trainings, primarily to identify and strengthen the mission and vision and the strategies to carry out its objectives based on leading practices on good corporate governance. The trainings attended are conducted by SEC accredited training providers.

The Corporation also holds regular weekly Management Meetings. These meetings are presided by the President/COO and attended by other officers of the Corporation and the management heads of each of the operating subsidiaries and affiliates to discuss their respective financial and operational performances. Business risks and challenges are likewise discussed during these meetings.

Deviations

There are no known deviations from the Corporation's Manual of Corporate Governance except the establishment of the charters of the Board and certain committees; and, that non-executive directors must meet with the external auditor, head of the internal audit, compliance and risk functions without any executive directors present. Compliance with these provisions is now being processed.

Plan to Improve

The Corporation continues to coordinate with regulatory government agencies to further improve in-house corporate governance. It shall also adopt globally proven good governance strategies.

In June 2009, the SEC approved the promulgation of a revised Code of Corporate Governance to make several of its provisions mandatory instead of recommendatory. It issued Memorandum Circular No. 6 (Series of 2009) which took effect on July 15, 2009.

Companies are now obliged to follow SEC's prescribed Corporate Governance Manual. It shall evaluate the corporate governance manuals of companies concerned on an annual basis. The new code doubled the penalty for non-compliance or violation of the provisions thereof. In addition, the new code listed the minimum internal control responsibilities of the board and stipulated specific qualifications for members of the Audit Committee.

With this development, the Corporation undertook a revision of its manual on corporate governance to align with the new SEC code. In December 2009, the Board of Directors of MacroAsia Corporation approved the revised manual and disclosed the same to the Philippine Stock Exchange (PSE).

On May 6, 2014, the SEC issued Memorandum Circular No. 9, series of 2014 which mandated all covered corporations to amend their Manuals on Corporate Governance to include therein provisions on stakeholders. In compliance with the Memorandum Circular, the Corporation updated its Corporate Governance Manual which was approved by the Board of Directors during its meeting held on July 18, 2014 and which was disclosed to the SEC and the PSE.

Subsequently, on November 22, 2016, the SEC issued the Code of Corporate Governance which requires all publicly-listed companies to submit a new Manual on Corporate Governance. The Code will adopt the "comply or explain" approach. This approach combines voluntary compliance with mandatory disclosure. Listed companies do not have to comply entirely with the Code, but they must state in their annual corporate governance reports whether they comply with the provisions of the Code, identify any areas of non-compliance and explain the reasons for non-compliance. In accordance therewith, the Corporation amended its Corporate Governance Manual. This was approved by Board of Directors during its meeting held on March 30, 2017, and such approval was disclosed to the SEC and the PSE.

Legal Proceedings

On May 20, 2015, MacroAsia Corporation, through its legal counsel, filed a Motion for Reconsideration with the Court of Appeals for its April 22, 2015 Decision promulgated by the Special Sixteenth (16th) Division confirming the denial by the National Commission on Indigenous People to issue a Certification Precondition applied for by the Company.

Subsequently, on March 21, 2016, through MacroAsia's legal counsel, the company received a copy of the favorable Decision issued by the Court of Appeals giving due course to the company's Motion for Reconsideration and reversing the above-mentioned ruling.

On December 12, 2016, a Petition for Review on Certiorari pursuant to Rule 45 of the Rules of Court (G.R. No. 226176) was filed before the Supreme Court by the National Commission on Indigenous Peoples (NCIP) and its officers, Zenaida Brigada, Hamda-Pawid, Dionesa O. Banua, Chonchita C. Calzado, Percy Brawner, Cosme Lambayon, Santos Unsad and Basilio Wandag.

The Petition was directed against the Decision of the Court of Appeals dated March 14, 2016 which nullified and set aside NCIP En Banc Resolution No. 011-2012, and directed petitioner NCIP to issue a Certificate Precondition in favor of MacroAsia.

Pursuant to the Resolution of the Supreme Court dated October 19, 2016, MacroAsia filed its Comment/Opposition to the Petition for Review on Certiorari on December 12, 2016. On March 13, 2017, the Supreme Court issued a Resolution noting MacroAsia's Comment/Opposition. The Office of the Solicitor General subsequently filed a Reply which was received by MacroAsia on July 2, 2021. In the interim, the parties have discussed the settlement of the case and are in the process of filing a Joint Motion to put an end to the controversy.

ANNEX D – SECURITIES OF REGISTRANT

A. Market for Issuer's Common Equity and Related Stockholder Matters

MAC's common shares are listed and traded at the Philippine Stock Exchange. The approximate number of holders of its common equity is 845. The total outstanding common shares as of February 28, 2023 amounted to 1,890,958,323 shares.

There were no unregistered securities sold by the registrant for the past three (3) years.

The high and low prices of the Corporation's shares during 2022 and 2021 are as follows:

2021		**High**		**Low**
First Quarter	₱	7.10	₱	4.48
Second Quarter		6.30		4.00
Third Quarter		5.62		4.15
Fourth Quarter		6.60		4.26
2022		**High**		**Low**
First Quarter	₱	6.25	₱	4.80
Second Quarter		5.88		4.00
Third Quarter		5.54		4.06
Fourth Quarter		5.38		4.25
2023		**High**		**Low**
As of Mar. 30, 2023	₱	5.50	₱	4.73

The price information as of the latest practicable trading date, March 30, 2023 is ₱4.86.

The top 20 stockholders of MacroAsia Corporation as of February 28, 2023 are shown below. The Corporation has only one class of shares (common).

	Name	No. of Common Shares Held	% of Total
1	PCD NOMINEE CORPORATION (FILIPINO)	430,407,487	22.26
2	PAL HOLDINGS, INC. (formerly Baguio Gold Holdings Corporation)	137,280,000	7.10
3	CONWAY EQUITIES, INC.	132,771,600	6.87
4	PAN ASIA SECURITIES CORP.	106,958,302	5.53
5	SOLAR HOLDINGS CORPORATION	92,040,000	4.76
6	DRAGONSTAR MANAGEMENT CORP.	83,850,000	4.34
7	PROFOUND HOLDINGS, INC.	74,100,000	3.83
8	EXCELVENTURES, INC.	73,951,800	3.83
9	BIGEARTH EQUITIES CORPORATION	72,540,000	3.75
10	PCD NOMINEE CORPORATION (NON-FILIPINO)	57,334,107	2.97

11	PALOMINO VENTURES, INC.	45,084,000	2.33
12	MACROASIA CORPORATION	40,911,700	2.12
13	ABSOLUTE HOLDINGS & EQUITIES, INC.	39,000,000	2.02
14	ARTISAN MERCHANDISING CORP.	39,000,000	2.02
15	CARAVAN HOLDINGS CORPORATION	39,000,000	2.02
16	CLIPPER 8 REALTY & DEVELOPMENT CORP.	39,000,000	2.02
17	GOLDEN PATH REALTY CORPORATION	39,000,000	2.02
18	PRIMELINE REALTY, INC.	39,000,000	2.02
19	QUALITY HOLDINGS, INC.	39,000,000	2.02
20	SUNWAY EQUITIES, INC.	35,053,200	1.81

Dividends

The general dividend policy of the Corporation is governed by its By-Laws which provides that dividends upon the capital stock of the Corporation may be declared by the Board of Directors in the manner and form provided by law, after deducting from the net profit of the Corporation any approved bonuses to the members of the Board of Directors in an amount not exceeding five percent (5%) of the Corporation's net profit before tax and the expenses of administration. In each case, no dividend declaration shall be made by the Corporation which would impair its capital.

Dividends shall not be declared if there are major investments/projects which the Corporation and its subsidiaries and associated companies anticipate in the near future.

1. **Stock Dividends**

On April 30, 2020, the Company’s BOD approved the declaration of 20% stock dividends to be paid out from unrestricted retained earnings of the Company as of December 31, 2019. The stock dividend declaration was approved by the shareholders on the Company’s Annual Stockholders’ Meeting held on July 17, 2020. Record date was August 14, 2020 while payment date was on September 11, 2020.

On March 22, 2018, the Company’s BOD approved the declaration of 30% stock dividends to be paid out from unrestricted retained earnings of the Company as of December 31, 2017. The stock dividend declaration was approved by the shareholders on the Company’s Annual Stockholders’ Meeting held on July 20, 2018. Record date was August 17, 2018 while payment date was on September 12, 2018.

2. **Stock Dividends Declared After Balance Sheet Date**

No stock dividends were declared after balance sheet date.

3. **Cash Dividends**

Date Approved	Per share	Stockholder of Record Date	Date Paid/Issued
March 14, 2019	₱0.200	April 12, 2019	May 10, 2019
December 13, 2017	₱0.140	January 5, 2018	January 31, 2018
December 14, 2016	₱0.080	January 6, 2017	February 1, 2017
December 14, 2015	₱0.075	January 4, 2016	January 28, 2016
March 25, 2013	₱0.065	April 24, 2013	May 19, 2013

On April 30, 2020, the Board of Directors approved the amendment of the Php 0.25/share cash dividends declared on March 6, 2020 to shareholders of record as of April 3, 2020 payable on May 4, 2020 to 20% stock dividends discussed in the Stock Dividends section.

4. Cash Dividends Declared After Balance Sheet Date

On March 23, 2023, the Company's BOD approved the declaration of cash dividends amounting to ₱0.05 per share payable on May 18, 2023 to shareholders of record on April 21, 2023.

5. Restriction on Retained Earnings

The retained earnings as of December 31, 2022 are restricted for dividend declaration for the portion equivalent to the following:

- Undistributed net earnings of subsidiaries and equity in net earnings of associates amounting to ₱850.0 million as of December 31, 2022 and 2021.
- Cost of treasury shares amounting to ₱459.4 million as of December 31, 2022 and 2021.
- Deferred income tax asset amounting to ₱150.7 million and ₱157.7 million as of December 31, 2022 and 2021, respectively.

6. Appropriation of Retained Earnings

MAC

On March 22, 2018, the Corporation's Board of Directors approved the reversal of the appropriation for mining development projects amounting to ₱393.1 million for the distribution of 30% stock dividends declared on the same date and approved by the stockholder during MAC's annual stockholders' meeting held on July 20, 2018. The appropriation for water projects was retained for the next few years, for investments in the Groupwide water related projects with periods ranging from two (2) to three (3) years.

On December 12, 2019, the Corporation's Board of Directors approved the reversal of the appropriation for water projects amounting to ₱300.0 million and appropriation of ₱850.0 million for various projects to be undertaken by the Group.

MASCORP

On March 20, 2018, MASCORP's Board of Directors approved the appropriation of another ₱50.0 million from the unrestricted retained earnings for the business expansion program which is expected to run for three (3) years effective December 31, 2017.

On December 6, 2018, MASCORP's Board of Directors approved the reversal of appropriated retained earnings of ₱30.0 million made on June 21, 2012 for business expansion. Further, the Company's BOD approved additional appropriation of ₱65.0 million of the unappropriated earnings for business expansion program which is expected to run for three years effective December 31, 2018.

On March 7, 2019 and July 11, 2019, the MASCORP's Board of Directors approved the additional appropriation of ₱50.0 million and ₱100.0 million, respectively from unrestricted retained earnings for purposes of various investments to expand business of the Company which is expected to run for three (3) years effective December 31, 2019.

On September 24, 2020, the MASCORP's BOD approved reversal of appropriated retained earnings amounting to ₱265.0 million.

MACS

On December 6, 2019, the MACS' Board of Directors approved the release from appropriation of the ₱100.0 million appropriated in 2017 and 2016 for construction of an offsite commissary. Further, the Board of Directors approved the additional appropriation of ₱210.0 million for the construction of another offsite commissary, catering trucks, and facility equipment upgrade in the next two (2) years of the Corporation.

On November 28, 2018, the MACS' Board of Directors approved the additional appropriation of ₱55.0 million for the construction of the offsite commissary and equipment upgrade of the Company in the following year.

On October 14, 2021, the MACS' BOD approved the reversal of appropriated retained earnings of ₱500.0 million. The facility upgrades and equipment acquisitions to which the previous appropriations were intended, will no longer materialize due to the COVID-19 pandemic impact. Hence, the appropriation of retained earnings is no longer necessary.

B. Description of Registrant Securities

MacroAsia Corporation has already issued 1,933,305,923 shares of stocks from the total authorized capital stock of 2,000,000,000.

On July 16, 2010, the BOD approved a Share Buyback Program involving a total cash outlay of ₱50.0 million for the repurchase of the outstanding common shares of the Parent Company from the open market, using the trading facilities of the Philippine Stock Exchange (PSE). The Program will not involve any active or widespread solicitation for stockholders to sell. Repurchase of shares of stock will be done during the period of the Program at such prices perceived by the Parent Company to be lower than the inherent value of the share. The Program will run until the ₱50 million authorized cash outlay is fully utilized or until such time that the BOD may direct, subject to appropriate disclosures to the PSE and the SEC.

On June 15 2017, the Board of Directors of MacroAsia Corporation approved to allot ₱210.0 million to buy back shares of MacroAsia Corporation at market price. The mechanics of which shall be similar to the ₱50.0 million buyback program implemented in 2010. The Program commenced on June 20, 2017 and will run until the ₱210.0 million authorized cash outlay is fully utilized, or until such time that the Board of Directors of MacroAsia may direct, subject to appropriate disclosures to the PSE and the SEC.

On March 14, 2019, the Board of Directors approved ₱200.0 million additional funding to the 2017 Share Buyback Program.

On March 6, 2020, the Board of Directors approved another ₱200.0 million additional funding to the 2017 Share Buyback Program.

As of December 31, 2022, the Company has reacquired 42,347,600 shares for ₱459,418,212.

Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

During the year, there were no sales of unregistered or exempt securities that constitute as exempt transactions.

Voting and Preemption Rights

All outstanding common shares of the Corporation as of the record date for the purpose of the Annual Stockholder's Meeting are entitled to one (1) vote per share.

A stockholder entitled to vote at the meeting shall have the right attend the meeting through remote communication and to vote *in absentia* or by proxy the number of shares registered in his name in the stock transfer book of the Corporation for as many persons as there are directors to be elected. Each stockholder shall have the right to cumulate said shares and give one nominee as many votes as the number of directors to be elected, multiplied by the number of his shares shall equal, or he may distribute them on the same cumulative voting principle among as many nominees as he shall see fit; provided, that the number of votes cast by a stockholder shall not exceed the number of his shares multiplied by the number of directors to be elected.

MINUTES OF THE
ANNUAL STOCKHOLDERS' MEETING OF
MACROASIA CORPORATION
Held on 12 May 2022 at 3:00 P.M.
via Zoom Webinar

	Number of Shares	**Percentage**
Total No. of Outstanding Shares (Net of Treasury Shares)	1,890,958,323 shares	100.00%
Total No. of Shares Represented by Proxy and Present Remotely or via Voting in Absentia	1,379,074,152 shares	72.93%

Directors and Officers Present:		
Dr. Lucio C. Tan	:	Chairman and Chief Executive Officer
Carmen K. Tan	:	Director
Eduardo Luis T. Luy	:	Director, President and Chief Operating Officer
Lucio C. Tan III	:	Director
Kyle Ellis C. Tan	:	Director and Treasurer
Vivienne K. Tan	:	Director
Michael G. Tan	:	Director
Johnip G. Cua	:	Independent Director
Ben C. Tiu	:	Independent Director
Marixi R. Prieto	:	Independent Director
Samuel C. Uy	:	Independent Director
Atty. Marivic T. Moya	:	Senior Vice President for Human Resources, Legal and External Relations Chief Compliance Officer Corporate Information Officer
Amador T. Sendin	:	Chief Financial Officer Chief Risk Officer Senior Vice President for Administration
Belgium S. Tandoc	:	Vice-President for Business Development Data Protection Officer
Atty. Florentino M. Herrera III		Corporate Secretary

I. CALL TO ORDER

On behalf of the Chairman and CEO, Dr. Lucio C. Tan, Mr. Lucio C. Tan III, Director of the Corporation, delivered the following message to the stockholders of the Corporation:

> Years 2020 and 2021 are difficult periods for all of us, even beyond the aviation sector. The MacroAsia Group, which relies heavily on aviation services, is facing a tough period that demands so much from its people. Beyond job losses, we have seen many of our staff suffer from COVID-19 due to the nature of their work in the airports that require direct interaction with customers. Our services to serve the public continued nevertheless, despite the financial losses that we have been bearing as travel volumes continue to be constrained. The early part of 2021 saw recovery of travel volumes, but such trend was immediately derailed by the Covid-19 Omicron variant for most part of 2021.
>
> In coping early on with the business downturn, the MacroAsia Group reorganized and trimmed its workforce rigorously, enabling our current teams today to present a younger, efficient and cost-effective organization than before the crisis. We also took the challenge to move forward, and "Scale The Edges" of our traditional business segments.
>
> Our teams took to heart the drive to generate new sources of cash flow outside of the aviation segment, as this strategy ensures not only survival but a stronger future for MacroAsia.
>
> Beyond 2021, we hope that the trendline of travel recovery will continue, as more people get vaccinated and as governments relax travel restrictions all over the world. We look forward to a brighter future for MAC as the operating environment slowly moves towards a new normal.
>
> On behalf of the Chairman, we thank our operating teams for their passionate service to the public during this crisis.
>
> I will now turn over the floor to Mr. Eduardo Luis T. Luy, President and Chief Operating Officer of MAC, who will preside over this meeting.

The Corporation's President and Chief Operating Officer, Mr. Eduardo Luis T. Luy, called the meeting to order and welcomed the stockholders to the 2022 Annual Stockholders' Meeting of MacroAsia Corporation (the "Corporation").

The President stated that the Corporation is holding its Annual Stockholders' Meeting by remote communication via Zoom Webinar application in order to safeguard the health and ensure the safety of the stockholders and stakeholders of the Corporation.

The Corporate Secretary, Mr. Florentino M. Herrera III, recorded the minutes of the meeting. He informed the stockholders that the meeting is being recorded in video and audio format, in compliance with the requirements of the Securities and Exchange Commission.

II. CERTIFICATION OF NOTICE

The Corporate Secretary certified that the Notice for the meeting was duly sent twenty-one (21) days prior to the date of the meeting to all stockholders of record of the Corporation as of 12 April 2022, the record date set by the Board of Directors, in accordance with the Revised Corporation Code of the Philippines and the rules of the Securities and Exchange Commission.

The Corporate Secretary stated that the Notice for the meeting was published for two (2) consecutive days, on April 19 and 20, 2022, in the business section of two (2) newspapers of general circulation, the Philippine Star and Philippine Daily Inquirer, both in print and online formats. The Affidavits of Publication issued by the Philippine Star and the Philippine Daily Inquirer are attached hereto as Annexes "A" and "B", respectively.

The Corporate Secretary further stated that the Notice and the Definitive Information Statement were posted on the Corporation's website and disclosed to the Philippine Stock Exchange.

III. MEETING PROCEDURES

The President noted that although the Corporation is holding its Annual Stockholders' Meeting by remote communication due to the COVID-19 pandemic, it strived to provide the stockholders the best opportunity to participate in the meeting.

The President requested the Corporate Secretary to explain the procedures for the holding of the meeting.

The Corporate Secretary stated that the meeting procedures were outlined in the Corporation's Definitive Information Statement. He highlighted the following key points:

1. The Notice advised stockholders who wished to participate in the Annual Stockholders' Meeting by remote communication and vote *in absentia* to pre-register through the Corporation's website by 3 May 2022.

2. Thereafter, pre-registered stockholders were emailed specific log-in credentials to access the voting portal and attend the Annual Stockholders' Meeting.

3. Stockholders were then permitted to submit their votes through the voting portal until 6 May 2022.

4. Stockholders who opted to vote by proxy were required to submit their proxy forms via email to the Corporate Secretary on or before 28 April 2022, in accordance with the By-Laws of the Corporation.

5. The Office of the Corporate Secretary shall tabulate all votes cast *in absentia*. SGV & Co., as the external auditor of the Corporation, will validate the results. The voting results on each matter will be displayed on the screen.

6. For any queries regarding the matters in the Definitive Information Statement or regarding the Corporation in general, the stockholders were encouraged to send in advance their questions regarding the items in the agenda by using the "Queries" tab found in the Annual Stockholders' Meeting page on or before 6 May 2022 so that they may be addressed during the meeting.

The Corporate Secretary stated that no questions were submitted by the stockholders before the aforesaid deadline. Questions received after the deadline were referred to the Corporation's Investor Relations Officer for a response.

IV. CERTIFICATION OF QUORUM

The President then requested the Corporate Secretary to certify the existence of a quorum for the valid transaction of business at the meeting.

The Corporate Secretary stated that based on the online registration record and the proxies on hand, stockholders owning One Billion Three Hundred Seventy Nine Million Seventy Four Thousand One Hundred Fifty Two (1,379,074,152) shares or 72.93% of the total outstanding capital stock of the Corporation were present or represented by proxy in the meeting.

The Certification issued by Ms. Maria Victoria C. Mendoza, Assistant Vice-President and Ms. Emylyn P. Audemard, Manager of the Philippine National Bank Trust Banking Group, the Corporation's Stock Transfer Agent, on the tabulation of attendance is attached hereto as Annex "C".

The Corporate Secretary thereafter certified that a quorum existed for the valid transaction of business.

V. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 13 MAY 2021

The President proceeded to the next item in the Agenda, the approval of the Minutes of the Annual Stockholders' Meeting held on 13 May 2021 (the "Minutes of the 2021 ASM"). The President stated that the Minutes of the 2021 ASM were attached to the Corporation's Definitive Information Statement, which was posted on the Corporation's website and disclosed to the Phil. Stock Exchange.

The Corporate Secretary presented Resolution No. SH-2022-01, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

RESOLUTION NO. SH-2022-01

"**RESOLVED**, That the Minutes of the Annual Stockholders' Meeting held on 13 May 2021 as disclosed in the Corporation's Definitive Information Statement, be noted and approved."

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	1,379,074,130	0	0
Percentage of Outstanding Shares	72.93%	0%	0%

VI. PRESENTATION OF 2021 ANNUAL REPORT AND FINANCIAL REPORT .

The President reported on the 2021 Annual Report of the Corporation and its subsidiaries (the "MacroAsia Group") and the Business Outlook for 2022. A copy of the President's Report is attached hereto as Annex "D".

Thereafter, the Chief Financial Officer, Mr. Amador T. Sendin, presented the Financial Report on the results of operations for the year ended 31 December 2021, a copy of which is attached hereto as Annex "E".

VII. APPROVAL OF ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The President requested the Corporate Secretary to present the proposed resolution regarding the notation and approval of the Annual Report and the Audited Financial Statements of the Corporation for the year ended 31 December 2021.

The Corporate Secretary presented Resolution No. SH-2022-02, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

RESOLUTION NO. SH-2022-02

"**RESOLVED**, That the Corporation's Annual Report and Audited Financial Statements for the year ended 31 December 2021 be noted and approved."

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	1,379,074,130	0	0
Percentage of Outstanding Shares	72.93%	0%	0%

VIII. RATIFICATION OF ALL ACTS, PROCEEDINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE 2021 ANNUAL STOCKHOLDERS' MEETING UP TO 12 MAY 2022

The President then proceeded to the approval, confirmation and ratification of all acts, proceedings and resolutions of the Board of Directors and Management of the Corporation since the Annual Stockholders' Meeting held on 13 May 2021 up to 12 May 2022.

The President stated that a summary of the acts, proceedings and resolutions of the Board and Management is contained in the Definitive Information Statement.

The Corporate Secretary thereafter presented Resolution No. SH-2022-03, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

RESOLUTION NO. SH-2022-03

"**RESOLVED**, That all acts, proceedings and resolutions of the Board of Directors and of Management since the Annual Stockholders' Meeting held on 13 May 2021 up to today's meeting be, as they are hereby approved, confirmed and ratified."

	FOR	**AGAINST**	**ABSTAIN**
Number of Shares Voted	1,379,074,130	0	0
Percentage of Outstanding Shares	72.93%	0%	0%

IX. ELECTION OF DIRECTORS

The President stated that the Articles of Incorporation of the Corporation provides for eleven (11) directors. The Board is composed of seven (7) Regular Directors and four (4) Independent Directors.

The President then requested the Corporate Secretary to explain the procedure for the nomination and election of the directors.

The Corporate Secretary explained that in accordance with the Corporation's By-Laws and Manual on Corporate Governance, the nomination of the Corporation's directors was conducted by the Corporate Governance Committee. All recommendations were signed by the nominating stockholders and were submitted to the Corporate Governance Committee and the Corporate Secretary at least thirty (30) days before the date of the Annual Stockholders' Meeting.

In pre-screening the qualifications of the nominees for independent directors, the Corporate Governance Committee noted the rules outlined in the SEC Memorandum Circular No. 4, Series of 2017, regarding the term limits of Independent Directors, which provides that:

1) Independent directors shall serve for a maximum cumulative term of nine (9) years, reckoned from 2012;

2) In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

The Corporate Secretary stated that Mr. Ben C. Tiu has served the maximum cumulative term of nine (9) years as Independent Director of the Corporation.

The Board of Directors of the Corporation, during its meeting held on 18 March 2022, recognized that Mr. Tiu, backed by his technical expertise and experience in various fields, particularly in mining, banking and equities, has been an invaluable Independent Director of the Corporation. His guidance on projects which are in the process of being implemented, like those in the mining and water segments, is required especially with his perspective as an Independent Director, keenly speaking from experience and on behalf of minority interests. As the Corporation implements the spin-off of the mining business, the MacroAsia Group would benefit from Mr. Tiu's continued guidance and involvement in key committees.

Based on the aforesaid meritorious justifications, the Board approved the eligibility of Mr. Tiu to serve as an Independent Director of the Corporation for another two (2) years.

Based on aforesaid Board approval, the Corporate Governance Committee resolved to approve the re-nomination of Mr. Tiu as Independent Director.

The Corporate Secretary reported that the Corporate Governance Committee approved the following nominees for election as members of the Board of Directors of the Corporation for 2022-2023:

1. Dr. Lucio C. Tan
2. Carmen K. Tan
3. Eduardo Luis T. Luy
4. Lucio C. Tan III
5. Kyle Ellis C. Tan
6. Vivienne K. Tan
7. Michael G. Tan

For Independent Directors:

8. Johnip G. Cua
9. Ben C. Tiu
10. Marixi R. Prieto
11. Samuel C. Uy

The Corporate Secretary thereafter presented Resolution No. SH-2022-04, and based on the votes received by each of the nominees, and considering further that there are only eleven (11) nominees for the eleven (11) seats in the Board, reported the approval of the following resolution which was shown on the screen:

RESOLUTION NO. SH-2022-04

"**RESOLVED**, That the eleven (11) nominees to the Board of Directors who have been confirmed by the Corporate Governance Committee, namely:

1. Dr. Lucio C. Tan
2. Carmen K. Tan
3. Eduardo Luis T. Luy
4. Lucio C. Tan III
5. Kyle Ellis C. Tan
6. Vivienne K. Tan
7. Michael G. Tan

For Independent Directors:

8. Johnip G. Cua
9. Ben C. Tiu
10. Marixi R. Prieto
11. Samuel C. Uy

are hereby elected as directors of the Corporation for the ensuing year and until the election and qualification of their successors."

The final votes received by the nominees are as follows:

	FOR	AGAINST	ABSTAIN
Dr. Lucio C. Tan	1,371,980,802	7,093,328	0
Carmen K. Tan	1,371,980,802	7,093,328	0
Eduardo Luis T. Luy	1,379,074,130	0	0
Lucio C. Tan III	1,379,074,130	0	0
Kyle Ellis C. Tan	1,379,074,130	0	0
Vivienne K. Tan	1,371,980,802	7,093,328	0
Michael G. Tan	1,371,980,802	7,093,328	0
Johnip G. Cua	1,371,980,802	7,093,328	0
Ben C. Tiu	1,371,980,802	7,093,328	0
Marixi R. Prieto	1,371,980,802	7,093,328	0
Samuel C. Uy	1,379,074,130	0	0

X. APPOINTMENT OF EXTERNAL AUDITOR

The President then proceeded to the appointment of the external auditor of the Corporation for the ensuing year. He requested the Chairman of the Audit Committee, Mr. Johnip G. Cua, to explain the endorsement of the external auditor.

Mr. Cua explained that the Corporation's Manual of Corporate Governance provides that the Audit Committee is tasked to select and evaluate the External Auditor of the Corporation which is thereafter endorsed to the Board of Directors and presented to the stockholders for approval.

Mr. Cua reported that, after careful deliberation, and after evaluating the performance of the accounting firm of Sycip Gorres Velayo & Co. (SGV & Co.) for the past year, the Audit Committee endorsed to the Board its appointment as External Auditor of the Corporation for calendar year 2022. The appointment of SGV & Co. was approved by the Board of Directors on 18 March 2022.

The Corporate Secretary thereafter presented Resolution No. SH-2022-05, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

RESOLUTION NO. SH-2022-05

> "**RESOLVED**, That SGV & Co. be appointed as the External Auditor of the Corporation for calendar year 2022."

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	1,379,066,930	7,200	0
Percentage of Outstanding Shares	72.93%	0.0004%	0%

XI. OTHER MATTERS

The President advised the stockholders that the Corporation did not receive any queries on or before the 6 May 2022 deadline. He stated that the Corporation's Investor Relations Officer will address any questions submitted after the deadline. He also informed the stockholders that they may submit additional questions regarding the meeting by sending an email to asmquery@macroasiacorp.com on or before 31 May 2022.

XII. ADJOURNMENT

There being no other matters to discuss, upon motion duly made and seconded, the meeting was adjourned.

CERTIFIED CORRECT:

FLORENTINO M. HERRERA III
Corporate Secretary

ATTESTED BY:

DR. LUCIO C. TAN
Chairman and CEO

EDUARDO LUIS T. LUY
Chairman of the Meeting/
President and Chief Operating Officer

Annex "A"

REPUBLIC OF THE PHILIPPINES) s.s.
QUEZON CITY)

AFFIDAVIT OF PUBLICATION

I, **LEO N. ALISGAR,** of legal age, single, Filipino and with office address at c/o **PhilSTAR Daily, Inc.,** 202 Railroad Street corner Roberto S. Oca Street, Port Area, Manila, after being duly sworn to in accordance with law, depose and state:

That I am the **BILLING & COLLECTION MANAGER** of the **PhilSTAR Daily, Inc.** a domestic corporation duly organized and existing under by virtue of Philippine laws with office and business address at 202 Railroad Street corner Roberto S. Oca Street, Port Area, Manila.

That the said corporation publishes **THE PHILIPPINE STAR**, a daily broadsheet newspaper published in English and of general circulation.

That the order of **MACROASIA CORPORATION**

captioned as follows: **Notice of Annual Stockholders Meeting**

Please see attached printed text which had been published in **The Philippine STAR** in its issues of: **April 19 and 20, 2022 Issues in print; April 19 and 20, 2022 online in OneNews.ph**

FURTHER AFFIANT SAYETH NAUGHT.
QUEZON City, Philippines

LEO N. ALISGAR
Affiant

SUBSCRIBED AND SWORN to before me this ______ day of APR 21 2022 affiant exhibited to me her Unified Multi-Purpose ID (UMID) CRN No. 0111-2584437-3

Doc. No. 166
Page No. 35
Book No. XXIII
Series of 2022

ATTY. GARY A. SANCIO
Notary Public
Until December 31, 2022
Adm. Matter No. NP-146 2021-2022
Roll No. 44261
IBP No. 1082447/06-30-17/Q.C.
PTR No.0699756/01-08-2021/QC

Annex "B"

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S. S.

AFFIDAVIT OF PUBLICATION

I, ADELA GERSALIA MENDOZA, of legal age, Filipino, married and a resident of 14 Registration St. SSS Homes North, Quezon City Philippines after having duly sworn to in accordance with law, hereby declare and testify.

1. That I am the Classified Manager of the PHILIPPINE DAILY INQUIRER, INC., publisher of the Philippine Daily Inquirer which is being published daily in English, of general circulation with editorial and business address at Chino Roces St. cor. Yague and Mascardo Sts., Makati.

2. That at the order of
MACROASIA CORPORATION

Re: NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Text of which would be described as follows:

AS PER ATTACHED

Has been published in the Philippine Daily Inquirer's print and digital edition in its issue/ issues of:

April 19 and 20, 2022

Affiant Further Sayeth Naught, Makati Philippines

ADELA G. MENDOZA
Affiant

SUBSCRIBED AND SWORN to before me this APR 20 2022 day of ________ PHILIPPINES, affiant exhibited to me her Driver's License No. 102-01-455507 issued at Quezon City valid until October 10, 2023 and her SSS No. 03-9451824-9, bearing her photograph and signature.

ATTY. JOSHUA P. LAPUZ
Notary Public Makati City
Until Dec. 31, 2023
Appointment No. M-019-(2022-2023)
PTR No. 8852510 Jan. 3, 2022 / Makati
IBP Lifetime No. 04897 Roll No. 45790
MCLE Compliance No. VI-0016565
G/F Fedman Bldg., 199 Salcedo St.
Legaspi Village, Makati City

Doc. No. 326;
Page No. 67;
Book No. 106;
Series of 2022.

Annex "C"

PNB

TRUST BANKING GROUP
Fiduciary Services Division
3F Trust Banking Group
PNB Financial Center Pres. D. Macapagal Boulevard
Pasay City, Philippines

Trunk Lines: (632) 8891-6040 to 70 local 4575
Direct Line: (632) 8573-4575
Fax: (632) 8526-3379

May 10, 2022

MACROASIA CORPORATION
12/F PNB Makati Center,
6754 Ayala Avenue, Makati City

Attention : **ATTY. FLORENTINO M. HERRERA III**
Corporate Secretary

Subject : **FINAL TABULATION OF ATTENDANCE**

Gentlemen:

Below is our final tabulation of attendance who registered through MacroAsia ASM Registration Portal and electronic mail for the MacroAsia Corporation Annual Stockholders' Meeting through remote communication at 03:00 in the afternoon of May 12, 2022:

Particulars	No. of Shares	Percentage to Total Outstanding & Subscribed Shares (net of Treasury Shares)
IN PERSON	34,702	0.00
BY PROXY	1,379,039,450	72.93
TOTAL	**1,379,074,152**	**72.93**

TOTAL OUTSTANDING SHARES & SUBSCRIBED SHARES (net of Treasury Shares) **1,890,958,323**

Very truly yours,
Philippine National Bank
Acting Through Its Trust Banking Group
As Transfer Agent
By:

MARIA VICTORIA C. MENDOZA
Assistant Vice-President

EMYLYN P. AUDEMARD
Manager

Annex "D"

PRESIDENT'S REPORT

Dear Shareholders, Management, Staff, and Other Stakeholders of MacroAsia:

The COVID-19 pandemic is the single biggest challenge that MacroAsia has faced so far in its operating history. Beyond work, it has caused unprecedented and continuing disruptions even in our personal lives, with very few of us being spared of its destructive after-effects. Despite the difficulty of it all, this hardship somehow summoned extraordinary resilience in our operating teams, shaped by our culture of passionate service excellence throughout the years.

While bearing the brunt of financial losses due to diminished travel volumes in the various airports as well as the ever-present threat of contracting COVID, our people continue to serve in the airport terminals. This crisis tells the story of MacroAsia's strength and fortitude as our people were continuously tested in their ability to deal with unforeseen situations, serve the public relentlessly, and emerge as one unit tougher.

Our transformation as a Group was abrupt yet necessary. The travel downturn saw us implement with a heavy heart, several tranches of retrenchment and retirement from 2020 to 2021. Labor linked directly to business activities is a key driver for our operating costs and success as a services provider. Before the crisis in December 2019, our workforce, including our outsourced personnel, numbered 13,645. By December 2021, this was trimmed to 7,851, a 42% reduction that tracks the severe downturn in our businesses. This 2022 though, as flight and passenger movements trend towards recovery, we have also started increasing again our workforce, hopefully reaching pre-pandemic levels within two years or less.

Revenues or top line numbers are the biggest challenge for MacroAsia. In 2019, our pre-pandemic baseline, we reached record revenues of Php6.16 billion, but this dropped to Php2.26 billion in 2020 due to the onset of COVID-19 restrictions in March 2020, and bottomed out to Php1.95 billion in 2021 as restrictions were in place for a full year. We foresee that 2022 revenues will be on an upward trend compared to 2021, as recent data shows travel movements have now increased.

In 2019, our bottom line or net income was Php1.19 billion, but in 2020, we booked a record net loss of Php1.80 billion, driven substantially by expected credit loss provisions for various airline clients due to the prevailing uncertainties in the aviation industry then. For 2021, such net loss was trimmed down to Php150 million, despite the lower revenue base compared to 2019. Our reversal of the prior year's credit loss provisions, reduced labor costs, lower operating expenses and improved businesses outside of the aviation industry contributed to this recovery. The changes in the makeup of our workforce of our aviation-related companies contributed to a comprehensive income of Php161 million for 2021, as these companies benefitted from gains on defined retirement benefit plans due to a younger, lean and renewed workforce. Our financial statements are explained in more detail in the management report which forms part of our Information Statement and the audited financial statements as previously disclosed to the public through the PSE and MAC websites.

Our operating statistics for 2021 reflect the business downturn in our aviation services segments. Our maintenance, repair and overhaul business (MRO) through Lufthansa Technik Philippines (LTP) trended towards recovery and net income since August 2021. By the end of 2021, LTP's fleet portfolio for the line maintenance business was 78% of pre-pandemic level, although its heavy repair business or base maintenance activities were just 52% of 2019 level. For 2022, LTP forecasts that its base maintenance business will approximate 2019 levels, as it eyes the opening of added capacity through a newly-constructed hangar which commercially opened in April 2022.

In 2021, our food services group continued to face low demands for inflight meals, as meal volumes were merely 15% of pre-pandemic levels due to the low outbound passenger volumes of international travel from the Philippines during the year. However, the institutional and non-airline meal sales driven by our commissary that opened in 2019 saw a 10% year-on-year growth from 2020 to 2021, with major clients coming on board in 2022.

Like airline catering, our ground handling business has been constrained by low commercial flight volumes, although charter, cargo and repatriation flights provided some relief in various airports. The flight movements that we serviced in 2021 remained at 36% of pre-pandemic levels. With the Philippines having most areas now at COVID-19 Alert Level 1 status according to the Philippine Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF), most locations in the country have eased up on travel restrictions. This has caused domestic carriers to recently forecast that they will reach domestic travel volumes on par with pre-pandemic levels within 2022. However, international flight movements may still take a year or more to return to pre-pandemic volumes.

One segment that grew for us in 2021 is the water business, as our volumes in terms of cubic meters sold jumped by 137% compared to 2019, mainly due to the bigger client base in our Cavite operations and in our startup in Nueva Vizcaya. Our billed water volume in 2019 was 4.5 million cubic meters, compared to 10.6 million cubic meters in 2021. Due to the momentum of our business development efforts, we expect this segment to grow further in 2022.

As for mining, it may be recalled that through government grant, the MAC Parent Company held Mineral Production Sharing Agreement (MPSA) Nos. 220-2005-IVB and 221-2005-IVB covering 1,113.98 and 410.00 hectares respectively in Brooke's Point Palawan. The said MPSAs granted MAC the exclusive right to explore, develop and commercially utilize nickel, chromite, iron and other associated mineral deposits within the contract area. In line with plans to spin-off mining, MAC Parent assigned said rights to its wholly-owned subsidiary, MacroAsia Mining Corporation (MMC). In 2021, MAC received from the DENR the Notice of Issuance of an Order for the Deed of Assignment dated June 7, 2019 executed by and between MAC and MMC. Consequently, the MPSAs are now being recorded in the name of MacroAsia Mining Corporation, and during MAC's Special Board Meeting on July 23, 2021, the Board approved the signing of a Memorandum of Agreement (MOA) between MMC and Calmia Nickel, Inc. for the Infanta nickel mine in Brooke's Point Palawan. In exchange for royalties to MacroAsia, the agreement allows Calmia to explore and operate the Infanta Nickel Mine as covered by the MPSA of MMC in Brooke's Point, Palawan.

Plans and Prospects

While waiting for the return of travel volumes to pre-pandemic levels, our operating teams will continue to focus on "Scaling The Edges" – growing our non-airline related business through water concessions, non-airline food business, resource development and the like. These entail our focus on three key areas:

A. **Growth in institutional and commissary food business**: MacroAsia SATS Food Industries (MSFI), which started operations in March 2019, will continue to increase its client portfolio for its Muntinlupa commissary, but will also commence studies on potential expansion for commissaries outside of Luzon due to the business opportunities presented by its major clients.

B. **Expansion of our water businesses**: While our concession areas grew in 2021, we expect further growth in coverage for potable water supply in other locations in 2022. We will continue to work closely with our current partners to grow what we already have, while pursuing new projects that will deliver returns within a short development period. Beyond potable water supply, this will include wastewater treatment and septage management systems.

C. **Revisiting our Mining Assets (MPSAs)**: Through MacroAsia Mining Corporation, an unlisted subsidiary, we believe that we can achieve a market valuation of the MPSAs in due time. MacroAsia Corporation also has subsidiaries like Bulawan Mining Corporation and MMC Management and Development Corporation that also have mining rights that offer development potentials, which we will continue to explore together with other partners.

While our aviation-services businesses' topline progress continue to move in line with the return of airline travel, we foresee that our progress in the aforementioned non-airline segments will strengthen our cash generation capability during critical incidents that impact on the aviation industry. Our defensive strategy of "Scaling The Edges" will make MAC stronger and more resilient, beyond surviving the COVID-19 crisis.

Our efforts towards the transformation of MacroAsia beyond aviation services can only be strengthened by your continuing support and confidence in us and our operating teams. On behalf of the executive and management teams, we thank the Directors of the various boards for their valuable feedback, guidance and motivation. We also thank our partners, our staff and our host communities for their collective passion to work together so that we can all survive and do better in these difficult times. And last, but definitely not the least, we thank our shareholders for their trust and confidence in our leadership and stewardship as we move onward and upward to bring MacroAsia to new heights.

Annex "E"

2021 Financial Report

Dear MAC stakeholders,

2021 is a full year of operations constrained by COVID-19 restrictions, not only in the Philippines but regionally where sources of international passengers into the Philippines come from. The aviation-related revenue squeeze for the MacroAsia Group resulted into the adjustment of our overall strategy from one of "**Focusing on the Core Businesses**" to "**Scaling the Edges**". With this key direction, our teams have underpinned two strategic priorities:

> Firstly, **CASH GENERATION** – requiring a keen focus on sales to cash conversion and accelerating growth, whether organic or inorganic, on those areas with highest business potential notwithstanding the pandemic;
>
> Secondly, **CASH CONSERVATION** – an asset-light approach for new projects are pursued, and for existing businesses, we leverage our scale and operating capabilities, streamlining business processes to eliminate activities that are not valued by end customers as we sustain a culture of expense efficiency to drive sustainable growth.

In 2021, we had to cope with continuing mobility restrictions, especially with the Delta Variant hitting the country. In NAIA, average flight movements per day for 2021 was 17% of 2019 pre-pandemic average, although there were indicative increases of passenger and flight movements as we moved into the last quarter of 2021. In hindsight, our internal assessments follow the general feeling that the volume trendline forecast reflects prolonged recovery, until we reach the baseline levels of 2019.

The Group's top-line consolidated revenues stood at Php1.95 billion, 14% lower than the Php2.26 billion revenues in 2020. The bottom line reflects a Net Loss of Php150.9 million, a significant decline from the net loss of Php1.8 billion in 2020.
In the fourth quarter comparisons, the Q4 income for 2021 of Php352.4 million is mainly due to the contribution of our MRO segment, which has returned to profitability starting in the third quarter of 2021.

The Group ended 2021 with a total consolidated comprehensive income of Php161.8 million, compared to a comprehensive loss of Php2.03 billion in 2020. This improvement in 2021 reflects the lower operating loss level, aided by other comprehensive income gains from remeasurement of retirement obligations mainly due to lower staff numbers and to foreign currency translation adjustments.

In 2021, while the Group's core aviation-related business units experienced a continuing revenue downturn, the water segment has reported a 25% increase in revenues. One driver is the revenue contribution of Aqualink Resources Development Inc. (ARDI), a new JV of our fully-owned Naic Water Services Corporation with Lancaster New City's developer, PRO-FRIENDS. This JV is managing the water system of Lancaster New City, a huge real estate development in Cavite.

Our ground handling business continued to be impacted by the decline in flight volumes, but as travel restrictions were relaxed in line with the government's success in its vaccination efforts and to spur the reopening of the economy, travel volumes in the airports started to return slowly by the second half of 2021.

Our airline catering business faced substantial meal volume downturn as commercial passenger travel was restricted. Towards the third quarter of 2021, travel and inflight meal volumes started to grow, especially in the PAL Kitchen operated by MacroAsia. In the latter part of 2021, our non-airline catering company, MacroAsia SATS Food Industries, has been successful in acquiring key accounts for servicing, enabling a significant revenue portfolio growth that will benefit future operating periods from 2022 and onwards

During 2021, the Group has also re-evaluated accounting provisions related to impairment of non-financial assets and expected credit losses in line with the prevailing business conditions. With the issuance of E.O. 130 lifting the nine-year moratorium on granting new mining permits in the Philippines, and as the Infanta Nickel Mine generated advanced royalty receipts from a mining operator, management reversed the previously recognized mining-related impairment loss amounting to P217.1 million. With the agreement signed with the mine operator, it is expected that the nickel mine will reopen soon, providing recurring cash inflow through royalty payments.

Total direct costs amounted to P1.99 billion, a 16% decrease from the P2.36 billion costs in 2020, as direct labor was reduced in line with business volumes. Consolidated operating expenses decreased by Php 464.1 million or 50% from 2020's Php931.66 million, mainly due to cost saving measures implemented, and to also reflect the reversal of accounting impairment provisions.

Financing charges increased to Php159.71 million from Php132.52 million in 2020, due to the interest on lease liabilities from the long term leased water facility of Aqualink Resources - the Lancaster New City JV. This JV leases its water facilities comprised of pumps and pipeline systems from the real estate developer, and a portion of the lease payment to the lessor is being amortized as interest expense over the lease term. Finance charges pertaining to the loans payable of the Group decreased as loan payables were reduced through periodic payments.

Our investments in three JVs where MAC holds a minority stake resulted into a share in net income of associates amounting to Php317.8 million, in contrast to a share in net loss of associates amounting to Php639.8 million in 2020.

Share in net income of Lufthansa Technik Philippines, which MAC owns 49%, amounted to Php350.6 million compared to share in net loss of Php616.3 million in 2020.

Cebu Pacific Catering Services, which MAC owns 40%, resulted into a loss contribution share of Php6.0 million in 2021, compared to loss contribution of Php1.73 million in 2020.

MAC's 30% share in net loss from JASCO which performs groundhandling in Narita, Japan amounted Php42.95 million in 2021 compared to Php30.4 million in 2020.

Financial Position

The Group's consolidated total assets stood at Php10.47 billion, a 1% increase from 2020's Php10.39 billion, due to movements in the Investment in Associates account which is recognized under the equity method of accounting, and increase in right of use asset for the long-term lease of a water facilities by Aqualink, but offset by the decline in cash and cash equivalents and receivables and other contract asset.

Receivables and contract assets declined by Php397.8 million or 23%, due to collection of trade receivables and decrease in provisions for doubtful accounts and expected credit losses. Property and equipment of Php2.35 billion decreased by Php89.15 million compared to Php2.44 billion in 2020, due to straight-line depreciation of assets, offset by capital expenditures mainly in the water subsidiaries and the aviation training school.

Loans payable of Php1.56 billion refers to outstanding local bank loans availed before 2020 by several subsidiaries to finance their asset acquisition. The 13% net decrease in loans payable is due to loan amortization payments.

The standalone listed Parent Company's Total Assets declined by 4% to Php5.8 billion, from Php6.0 billion in 2020, mainly due to the decrease in its Cash from Php904.7 million to Php220.0 million in 2021. The cash decreased due to debt-servicing and bridge financing for subsidiaries for some of their projects.

By end of 2021, MAC Parent's retained earnings available for dividends amount to Php2.37 billion. This can be used for future dividends, whether cash, stocks or property dividends to separate the mining or water assets into different holding companies.

Buyback Program

No buyback transactions happened in 2021 in line with the cash conservation program of the Company. As of December 31, 2021, we have 42,347,600 treasury shares in MAC. In the Annual Shareholders' Meeting last year, Management was authorized by the shareholders to sell such treasury shares for fund raising purposes if needed, but no such related actions were pursued after that annual meeting.

By end of 2021, the Group is in a Net Debt position of Php1.08 billion, as a result of previous pre-pandemic borrowings to fund capital expenditures, mainly to complete the huge Sucat Commissary, the sewage treatment plants in Boracay Island, and the airport vehicles and equipment needed in the expansion of groundhandling in several airports.

The current loans stood at Php651.2 million as of December 2021. This pertains to portions of long-term debt falling due in 2022. Companies with long-term loans are MacroAsia-SATS Food Industries (commissary), MacroAsia Airport Services (GSE), Boracay Tubi (STP), and Summa Water (WTP). These companies continue to have recurring cash flow to settle their obligations, despite the tough operating environment.

MAC, the listed parent company on a stand-alone basis, is in a net debt position of Php64.5 million as of December 2021. Its short-term borrowings of Php275 million, which was used as bridge financing for various projects of subsidiaries is down to Php265 million today, as payments have been made.

With the looming turnaround of aviation-related businesses, increased capacity in its property, plant and equipment (PPE), and the cash inflow from new projects, the Group stands on solid financial ground to continue operating in the challenging environment, while meeting the selected programs for expansion in some segments.

The Group's cash stood at Php503.6 million by year-end 2021. The principal movements in cash were driven by loan settlements, capital expenditures and funding of operating cash flow requirements.

Consolidated capital expenditure in 2021 was restrained to Php157 million, consistent with the strategic direction. It is forecasted that CAPEX spending will double in 2022, funded partially by debt for new water projects in Cavite that will generate immediate cash flow.

2021 Outlook

While the effects of the worldwide pandemic are severe for air travel and tourism, flights and passenger movements now trend towards recovery. In the meantime, our business units in the aviation sector will continue to implement the cash conservation and cost containment strategies, while we will also pursue new revenue streams in other areas.

While initial trends early in 2022 point to return to profitability for some key units as breakeven points are breached because of increased travel volumes, we remain very cautious in our perspective of the aviation services business, but bullish on the other non-airline activities that have shown sustainability and resiliency during the pandemic period. The impact of external factors, like another COVID-19 spike or the Russian-Ukraine conflict are hovering dark clouds for aviation travel.

Our teams commit to drive our recovery towards profitability, although we know that external factors continue to burden us against an immediate rebound. At this point, we thank you for your support as we continue to adapt and grow further in this difficult period.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Ben C. Tiu , Filipino, of legal age and a resident of GSC Corporate Tower Upper Penthouse, Lot 21 & 22 , Block 33, Triangle Drive, BGC, Taguig City, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of MacroAsia Corporation, and have been its independent director since 2013.

2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

Company /Organization	Position/Relationship	Period of Service
Fideli Securities	Chairman of the Board	1993 - Present
Tera Investments, Inc	Chairman of the Board	2001 - Present
TKC Metals Corporation	Chairman of the Board	2007 - Present
Treasure Steelworks Corporation	Chairman of the Board	2005 - Present
BRJ Trading JTKC	Chairman and President	1988 - Present
Equities Inc.	Chairman and President	1993 - Present
Iremit Inc.	Director	2001 - Present

3. I possess all the qualification and none of the disqualification to serve as an Independent Director of MacroAsia Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulation and other SEC issuances.

4. I am not related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the corporate secretary of MacroAsia Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 24 day of March 2023 at BGC, Taguig City.

BEN C. TIU

SUBSCRIBE AND SWORN to before me this ______ day of MAR 2 4 2023 2023 at MAKATI CITY affiant personally appeared before me and exhibited to me his/her Passport No. P6028322A issued at Department of Foreign Affairs Manila on Feb 14, 2018.

Doc No. 146 ;
Page No. 30 ;
Book No. LXIII ;
Series of 2023.

Julie O. Cua
Notary Public for Makati City
Roll of Attorneys No. 35358
PTR No. 9566504 /1-3-2023 /Makati City
IBP Lifetime Member No. 00104
6/F 6754 Ayala Avenue, Makati City
MCLE Compliance No. VI-0017668 /01-31-2019
Commission No. M-149 until 31 December 2024

CERTIFICATION OF INDEPENDENT DIRECTOR

I, MARIXI R. PRIETO, Filipino, of legal age and a resident of #36 Cruzadas Street, Urdaneta Village, Makati Cit, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of MacroAsia Corporation, and have been its independent director since 2015.

2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

Company /Organization	Position/Relationship	Period of Service
Philippine Daily Inquirer	Director	37 years
Bataan 2020, Inc.	Chairman	25 years
Corinthian Commercial Corp.	Treasurer	48 years

3. I possess all the qualification and none of the disqualification to serve as an Independent Director of MacroAsia Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulation and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
Carlos S. Rufino	N E O	Brother
Alfred Y. Huang	Bataan 2020, Inc.	Business Partner
Ma. Alexandra Prieto Romualdez	Inquirer Group of Companies	Daughter

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal / administrative investigation or proceedings (as the case may be):

Offense Charged/ Investigated	Tribunal or Agency involved	Status
	N/A	

6. (For those in government service /affiliated with a government agency or (GOCC) I have the required written permission or consent from the (head of the agency/department) to be an

independent director in ________________, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the corporate secretary of MacroAsia Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this ____ MAR 2 4 2023 day of ____________ 2023 at MAKATI CITY ________________.

MARIXI RUFINO PRIETO

Affiant

SUBSCRIBE AND SWORN to before me this ______ MAR 2 4 2023 day of ____________ 2023 at MAKATI CITY ___ affiant personally appeared before me and exhibited to me his/her Passport No. P7928105B issued at Department of Foreign Affairs Manila on 19 October, 2021.

Doc No. 143;
Page No. 30;
Book No. CCLIX;
Series of 2023

Julie O. Cua
Notary Public for Makati City
Roll of Attorneys No. 35358
PTR No. 9566504 /1-3-2023 /Makati City
IBP Lifetime Member No. 00104
6/F 6754 Ayala Avenue, Makati City
MCLE Compliance No. VI-0017668 /01-31-2019
Commission No. M-149 until 31 December 2024

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Samuel C. Uy, Filipino, of legal age and a resident of 118 Davao St., West Insular Village, Davao City, Philippines, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of MacroAsia Corporation, and have been its independent director since April 30, 2018.

2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

Company /Organization	Position/Relationship	Period of Service
3S Realty Corporation	President and CEO	Since 2007
Toril Sports Complex	President and CEO	Since 2013
Kaunlaran Devt Corporation	President	Since 2020
Davao Farms Corporation	President	Since 2020
Dimdi Centre Inc	Vice President	Since 1986
Daland Devt Corp	Vice President	Since 2005
Dimdi Builders Corp	Treasurer	Since 2004
Asaje Realty Corp	Treasurer	Since 2020
Philippine Airlines, Inc	Independent Director	Since 2017

3. I possess all the qualification and none of the disqualification to serve as an Independent Director of MacroAsia Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulation and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

Name of Director/Officer/Substanti alShareholder	Company	Nature of Relationship
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal / administrative investigation or proceedings (as the case may be):

Offense Charged/ Investigated	Tribunal or Agency involved	Status
N/A	N/A	N/A

6. (For those in government service /affiliated with a government agency or (GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in _________________, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the corporate secretary of MacroAsia Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this MAR 2 4 2023 day of ___________ 2023 at MAKATI CITY.

Affiant

SUBSCRIBE AND SWORN to before me this MAR 2 4 2023 day of ____________ 2023 at MAKATI CITY affiant personally appeared before me and exhibited to me his/her Passport No. P2115390B issued at Department of Foreign Affairs Davao on the 9th of May 2019.

Doc No. 147;
Page No. 30;
Book No. XLIX;
Series of 2023

Julie O. Cua
Notary Public for Makati City
Roll of Attorneys No. 35358
PTR No. 9566504 /1-3-2023 /Makati City
IBP Lifetime Member No. 00104
6/F 6754 Ayala Avenue, Makati City
MCLE Compliance No. VI-0017668 /01-31-2019
Commission No. M-149 until 31 December 2024

SECRETARY'S CERTIFICATE

I, **FLORENTINO M. HERRERA III**, of legal age, Filipino, with office address at 5th Floor SGV II Building, 6758 Ayala Avenue, Makati City, after being duly sworn to in accordance with law, depose and state that:

1. I am the Corporate Secretary of **MACROASIA CORPORATION** (the "Corporation"), a corporation duly organized and existing under and by virtue of Philippine laws with principal office address at 12/F PNB Allied Bank Center, 6754 Ayala Avenue, Makati City.

2. I hereby certify that no director or officer of the Corporation is connected with any government agency or government instrumentality.

3. The foregoing information is in accordance with the records of the Corporation in my possession.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 21st day of March 2023 at Makati City.

FLORENTINO M. HERRERA III
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)SS.

SUBSCRIBED AND SWORN to before me this 21st day of March 2023 at Makati City, affiant exhibited to me his Republic of the Philippines Passport No. P2337037B issued on 26 June 2019 at DFA NCR East.

Doc. No. 214;
Page No. 44;
Book No. I;
Series of 2023.

ISABELLA MARIE L. NAGUIAT
Notary Public for Makati City
Appointment No. M-240
Until 31 December 2024
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 78656
PTR No. 9567585 / Makati / 04 January 2023
IBP No. 248656 / Makati / 12 October 2022

GUIDELINES FOR PARTICIPATING VIA REMOTE COMMUNICATION
AND VOTING *IN ABSENTIA*

The 2023 Annual Stockholders 'Meeting (ASM) of MacroAsia Corporation (the "Corporation") will be held on May 11, 2023 at 3:00 P.M. The Board of Directors of the Corporation has fixed April 11, 2023 as the record date for the determination of stockholders entitled to notice of, to attend, and to vote at the ASM and any adjournment thereof.

The Board of Directors of the Corporation has approved and authorized stockholders to participate in the ASM via remote communication and to exercise their right to vote *in absentia* or by proxy. This is in view of the community quarantine currently implemented in various areas of the country and in consideration of health and safety concerns of everyone involved.

REGISTRATION

The Annual Stockholders' Meeting will be streamed live.

Stockholders who wish to attend the ASM through remote communication must register on or before May 2, 2023 through the webpage portal available at http://www.macroasiacorp.com/asm.

Stockholders who intend to vote by proxy must also register through the webpage portal at http://www.macroasiacorp.com/asm and submit their duly accomplished proxy forms via email to macasm@macroasiacorp.com, not later than April 26, 2023.

For registration purposes, the link will require stockholders to upload the following requirements and documents, subject to verification and validation:

1. Individual Stockholders
    1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the stockholder
    1.2. Active e-mail address/es
    1.3. Active contact number/s, with area and country codes

2. Multiple Stockholders or with joint accounts
    2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the stockholders
    2.2. Active e-mail addresses of the stockholders
    2.3. Active contact numbers, with area and country codes
    2.4. Digital copy of an authorization letter executed by all named holders, authorizing a holder to vote for and on behalf of the account

3. Corporate Stockholders
    3.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the corporation
    3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID,

senior citizen ID, among others to validate the registration of the authorized representative

3.3. Active e-mail address/es of the authorized representative

3.4. Active contact number of an authorized representative, with area and country codes

4. PCD Participants/Brokers

4.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the PCD participant/broker

4.2. Digital copy of the certificate of shareholdings issued by the PCD/broker

4.3. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative

4.4. Active e-mail address/es of the authorized representative

4.5. Active contact number of the authorized representative, with area and country codes

The documents will be validated by the Office of the Corporate Secretary, in coordination with PNB Trust, the Stock and Transfer Agent of the Corporation. Successfully registered stockholders will receive an email containing a link to the voting portal, log-in details, and other relevant information and instructions.

ONLINE VOTING

1. **Online voting must be completed on or before May 5, 2023.**
2. A successfully registered stockholder may access the voting portal through the link and using the log-in details emailed to them.
3. Upon accessing the portal, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval will be appended to the Notice of Meeting.

   3.1 A stockholder has the option to vote "For", "No", or "Abstain" on each agenda item for approval.

   3.2 For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.

   Note: A stockholder may vote such number of his/her shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder.

4. Once the stockholder has finalized his vote, he can proceed to submit his vote by clicking the "Submit" button. The stockholder cannot change and re-submit votes.

5. The Office of the Corporate Secretary shall tabulate all votes cast *in absentia*. SGV & Company, as the external auditor of the Corporation, will validate the results.

6. Stockholders who register on the website for voting *in absentia* are hereby deemed to have given their consent to the collection, use, storing, and processing of their personal data by the Corporation and any other relevant third party for the purpose of electronic voting *in absentia* during the Annual Stockholders' Meeting. Kindly refer to the attached Annual Stockholders' Meeting Privacy Statement.

ASM LIVESTREAM

The ASM will be broadcasted live and stockholders who have successfully registered will be provided access to participate via remote communication. Instructions on how to access the livestream will be posted at http://www.macroasiacorp.com/asm.

Pursuant to SEC Memorandum Circular No. 6, Series of 2020, please be informed that there will be an audio and video recording of the ASM, and will be made available to participating stockholders upon request.

OPEN FORUM

During the virtual meeting, the Corporation will have an Open Forum, during which, the meeting's moderator will read queries submitted by the stockholders in advance. Representatives of the Corporation shall endeavor to answer as many of the questions and comments received from stockholders as time will allow.

Stockholders should send their questions in advance by clicking the **Queries** tab found in the Annual Stockholder's Meeting page (http://www.macroasiacorp.com/asm) not later than May 5, 2023.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Corporation's Investor Relations Officer.

For any concerns, please contact the Corporation's Investor Relations Department at (+632) 8840-2001 local 219 or via email at macasm@macroasiacorp.com.

For complete information on the 2023 Annual Stockholders 'Meeting, please visit http://www.macroasiacorp.com/asm.

MacroAsia Corporation

SIGNATURES

Pursuant to the requirement of Sec 17 of the Code and Sec 141 of the Corporation Code of the Philippines, this report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on March 23, 2023.

MACROASIA CORPORATION
Registrant

By:

DR. LUCIO C. TAN
Chairman and Chief Executive Officer

EDUARDO LUIS T. LUY
President and Chief Operating Officer

AMADOR T. SENDIN
Chief Financial Officer

ATTY. FLORENTINO M. HERRERA III
Corporate Secretary

RONALD RON D. DIMATATAC
Financial Accountant

Subscribed and sworn to before me this MAR 3 1 2023 day of at MAKATI CITY, affiants exhibiting to me his/her Tax Identification Number, as follows:

NAMES	T. I. N.
LUCIO C. TAN	101-914-722
EDUARDO LUIS T. LUY	435-295-033
AMADOR T. SENDIN	135-963-712
ATTY. FLORENTINO M. HERRERA III	106-098-926
RONALD RON D. DIMATATAC	318-508-992

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Page No. 54
Book No. CXLIX
Series of 2023

Julio O. Cua
Notary Public for Makati City
Roll of Attorneys No. 35358
PTR No. 9566504 /1-3-2023 /Makati City
IBP Lifetime Member No. 00104
6/F 6754 Ayala Avenue, Makati City
MCLE Compliance No. VI-0017668 /01-31-2019
Commission No. M-149 until 31 December 2024

PART IV: EXHIBITS AND SCHEDULES

ITEM 13. EXHIBITS AND REPORTS ON SEC FORM 17 C

1. Please see accompanying Index to Exhibits in the following pages

2. The Company regularly files various reports on SEC Form 17-C relative to various company disclosures. Of these, the more significant ones are as follows:

Date Filed	Title
March 18, 2022	Results of Regular Board Meeting
March 29, 2022	Nomination of Directors (2022)
May 11, 2022	Notice of Analysts' Briefing for 2022 First Quarter Report
May 12, 2022	Results of Annual Stockholders' Meeting and Organizational Board Meeting
August 9, 2022	Notice of Analysts' Briefing for 2022 Second Quarter Report
September 14, 2022	Notice of Award for the Sangley Point International Airport (SPIA) Project
November 3, 2022	LTP Declaration of Dividends on November 3, 2022
November 3, 2022	Notice of Analysts' Briefing for 2022 Third Quarter Report

ITEM 14. INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

MacroAsia Corporation

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of MacroAsia Corporation and its Subsidiaries (collectively referred to as "the Company") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, in accordance with Philippine Financial Reporting Standards, 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 consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Dr Lucio C. Tan
Chairman of the Board and Chief Executive Officer

Eduardo T. Luy
President and COO

Amador T. Sendin
Chief Financial Officer

Signed this 23rd day of March 2022

Subscribed and sworn to before me this MAR 3 1 2023 day of MAKATI CITY, affiants exhibiting to me his/her Tax Identification Number, as follows:

NAMES	T. I. N.
LUCIO C. TAN	101-914-722
EDUARDO LUIS T. LUY	435-295-033
AMADOR T. SENDIN	135-963-712

Doc. No. 269
Page No. 54
Book No. CXLIX
Series of 2023

Julie O. Cua
Notary Public for Makati City
Roll of Attorneys No. 35358
PTR No. 9566504 /1-3-2023 /Makati City
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Commission No. M-149 until 31 December 2024

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

4	0	5	2	4						

COMPANY NAME

MACROASIA CORPORATION AND SUBSIDIARIES

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

12th Floor, PNB Allied Bank Center, 6754 Ayala Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	MSRD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
info@macroasiacorp.com/ macroasia_sec@macroasiacorp.com	(02) 8840-2001	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
845	May 11	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Amador T. Sendin	atsendin@macroasiacorp.com	(02) 8840-2001	n/a

CONTACT PERSON's ADDRESS

12th Floor, PNB Allied Bank Center, 6754 Ayala Avenue, Makati City

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

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

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
MacroAsia Corporation
12th Floor, PNB Allied Bank Center
6754 Ayala Avenue, Makati City

Opinion

We have audited the consolidated financial statements of MacroAsia Corporation (the Company) and its subsidiaries (collectively as the Group), which comprise the consolidated balance sheets as at December 31, 2022 and 2021, and the consolidated statements of income, 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, 2022, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue Recognition

The Group's revenue from ground handling and aviation which amounted to ₱2,049.5 million comprise 42% of the Group's total consolidated revenues for the year ended December 31, 2022. We considered revenue recognition from these sources as a key audit matter because of the significant amount and volume of transactions being processed and recorded, management's use of assumptions in estimating revenue based on service agreements, and the corresponding risk of not recognizing revenue in the proper period.

Refer to Notes 2 and 3 to the consolidated financial statements for the discussion of the relevant accounting policies and discussion of significant judgments and accounting estimates, and Note 19 to the consolidated financial statements for the discussions on revenue recognition.

Audit Response

We tested the relevant controls within the Group's revenue recognition process for ground handling and aviation. On a sampling basis, we compared the recorded revenue during the year to supporting evidence, such as invoices, service agreements and other related documents and assessed whether the related revenue is recognized and measured in accordance with PFRS 15, *Revenue from Contracts with Customers*. We selected sample manual journal entries related to revenue recognition and inspected the supporting documentation such as journal vouchers and credit memos. Furthermore, we evaluated the correlation of revenue, trade receivables and cash collections.

Recoverability of trade receivables

As of December 31, 2022, trade receivables amounting to ₱1,733.7 million, net of allowance for expected credit loss of ₱9.3 million, account for 91% of the total receivables and contract assets of the Group. For trade receivables without significant increase in credit risk, the Group applies the simplified approach in computing the expected credit loss (ECL). Under this approach, the Group recognizes a loss allowance based on lifetime ECLs at reporting date. The Group utilizes a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment. Meanwhile, the Group applies the general approach in computing the ECL on trade receivables with significant increase in credit risk from the point of their initial recognition. Under this approach, the Group recognizes a loss allowance over the remaining life of the trade receivables, irrespective of timing of the default (a lifetime ECL). Any addition to or reversal of the allowance for ECL is recognized in profit or loss.

We considered the recoverability of trade receivables as a key audit matter because of the significance of both the amount involved and the exercise of management judgment in the use of ECL model. Key areas of judgment in calculating ECL include: segmenting the Group's credit risk exposures; defining default; assessing significant increases in credit risk of trade receivables from initial recognition; determining the other assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts; and incorporating forward-looking information, including the economic recovery from the COVID-19 pandemic.

Refer to Notes 2 and 3 to the consolidated financial statements for the discussion of the relevant accounting policies and discussion of significant judgments and accounting estimates, and Note 6 to the consolidated financial statements for the the detailed discussion on receivables.

Audit Response

We updated our understanding of the methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*. We (a) evaluated the Group's assessment of the significant increase in credit risk of trade receivables from initial recognition; (b) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place; (c) tested historical loss rates by inspecting historical recoveries and write-offs; (d) compared the classification of outstanding exposures to their corresponding aging buckets; and (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and industry practices, including the economic recovery from the COVID-19 pandemic.

To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also recalculated impairment provisions on a sample basis.

Impairment of goodwill, intangible assets with indefinite useful lives, service concession rights and non-financial operating assets

As at December 31, 2022, the total of the carrying values of Group's goodwill attributable to the cash generating units (CGUs) that are expected to benefit from the business combination, the intangible assets with indefinite useful life (right-to-use assets), the service concession rights and the non-financial operating assets amounted to ₱6,658.4 million. Under PFRSs, the Group is required to annually perform impairment testing of goodwill and intangible assets with indefinite useful lives. Further, PFRSs require that the Group assess at the end of each reporting period whether there is any indication that the service concession rights and non-financial assets are impaired, and if any impairment indicators exist, the Group should estimate the recoverable amount of these assets.

We considered the impairment testing of goodwill, intangible assets with indefinite useful life, service concession right and non-financial operating assets as a key audit matter because their carrying values are material to the consolidated financial statements and the management's impairment assessment process requires significant judgment and assumptions, specifically the anticipated revenue growth and forecasted volume of flights serviced and meals ordered, annual water consumption, tariff rate, growth rates and discount rates.

Refer to Notes 2 and 3 to the consolidated financial statements for the relevant accounting policies and a discussion of the significant judgments, and Notes 11, 13, 15 and 28 for the detailed discussion on goodwill, intangible assets with indefinite useful lives, service concession rights and non-financial operating assets.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used to estimate the projected cash flows of the CGUs. We compared the key assumptions used against the historical performance of the CGUs, industry/market outlook and other relevant external data. We also inquired of management about their plans in support of the assumptions used.

We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill, intangible assets with indefinite useful life, service concession rights and non-financial operating assets.

Accounting for Investment in a Significant Associate

The Group's 49% interest in Lufthansa Technik Philippines, Inc. (LTP) is accounted for under the equity method and amounted to ₱1,649.3 million as of December 31, 2022 representing 14% of total consolidated assets. For the year ended December 31, 2022, the Group's share in the net earnings of LTP amounted to ₱499.8 million representing 108% of consolidated net income. LTP's net earnings are significantly affected by the amount of provisions for claims and losses since LTP is also a party to certain claims by third parties in the normal course of its business. The determination of whether or not a provision should be recognized, and the estimation of provision for losses arising from such claims require significant management judgment.

Refer to Notes 2 and 3 to the consolidated financial statements for the relevant accounting policies and a discussion of significant judgments, and Note 9 for the detailed discussions on the investment in LTP.

Audit Response

We obtained an understanding of LTP's revenue, cost and expense recognition policies and procedures and tested the relevant controls on the information system and manual processes. We obtained the audited financial performance of LTP as at and for the year ended December 31, 2022 and recomputed the Group's share in LTP's net earnings.

We inquired of LTP's management about the progress and status of significant claims against LTP, its potential exposure to the related losses and LTP management's assessment of the likely outcome. We further reviewed the minutes of meetings of LTP's Board of Directors and other documents supporting LTP management's assessment of loss, contingencies and the significant judgments exercised in the estimation of recognized provisions for losses. We evaluated the position of LTP's management on each of the significant claims by considering the relevant documents and information.

Other Information

Management is responsible for the other information. The other information comprises the Philippine Securities and Exchange Commission (SEC) Form 17 A for the year ended December 31, 2022, but does not include the consolidated financial statements and our auditor's report thereon which we obtained prior to the date of the Auditor's Report, and the SEC Form 20 - IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2022, which are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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The engagement partner on the audit resulting in the independent auditor's report is Kristopher S. Catalan.

SYCIP GORRES VELAYO & CO.

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Partner
CPA Certificate No. 109712
Tax Identification No. 233-299-245
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 109712-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-109-2020, November 27, 2020, valid until November 26, 2023
PTR No. 9369789, January 3, 2023, Makati City

March 23, 2023

MACROASIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 18, 22 and 23)	**₱468,018,733**	₱503,647,838
Receivables and contract assets (Notes 6, 15, 18 and 23)	**1,908,879,804**	1,369,052,526
Inventories (Note 7)	**139,345,643**	102,298,650
Other current assets (Note 8)	**541,279,113**	429,612,984
Total Current Assets	**3,057,523,293**	2,404,611,998
Noncurrent Assets		
Investments in associates (Note 9)	**2,450,890,710**	1,850,408,800
Property, plant and equipment (Note 11)	**2,222,562,943**	2,352,762,320
Net investment in lease (Note 28)	**1,172,543,506**	1,177,554,081
Right-of-use assets (Note 28)	**847,686,820**	890,917,351
Investment property (Note 12)	**143,852,303**	143,852,303
Service concession rights (Note 13)	**415,627,486**	418,804,041
Intangible assets and goodwill (Note 13)	**296,585,502**	292,022,092
Deferred income tax assets - net (Note 25)	**115,688,179**	166,464,582
Other noncurrent assets (Notes 6, 14, 15 and 21)	**781,733,126**	772,689,865
Total Noncurrent Assets	**8,447,170,575**	8,065,475,435
TOTAL ASSETS	**₱11,504,693,868**	₱10,470,087,433
LIABILITIES AND EQUITY		
Current Liabilities		
Notes payable (Notes 16, 18, 22 and 23)	**₱139,000,000**	₱420,000,000
Accounts payable and accrued liabilities (Notes 17, 18, 23 and 29)	**2,105,400,885**	1,492,518,206
Income tax payable	**26,319,044**	4,124,101
Dividends payable (Note 27)	**31,968,020**	31,968,020
Current portion of long-term debts (Notes 16, 18, 22 and 23)	**298,122,652**	210,277,717
Current portion of lease liabilities (Note 28)	**40,657,306**	15,607,124
Total Current Liabilities	**2,641,467,907**	2,174,495,168
Noncurrent Liabilities		
Long-term debts - net of current portion (Notes 16, 18, 22 and 23)	**831,132,418**	929,973,919
Lease liabilities - net of current portion (Note 28)	**2,070,590,164**	2,137,105,374
Accrued retirement and other employee benefits payable (Note 21)	**125,608,168**	121,574,408
Deferred income tax liabilities - net (Notes 15 and 25)	**95,233,954**	117,811,602
Other noncurrent liabilities (Note 18)	**72,053,488**	51,139,026
Total Noncurrent Liabilities	**3,194,618,192**	3,357,604,329
Total Liabilities	**5,836,086,099**	5,532,099,497

(Forward)

	December 31	
	2022	2021
Equity attributable to equity holders of the Company		
Capital stock - ₱1 par value (Note 27)	**₱1,933,305,923**	₱1,933,305,923
Additional paid-in capital	**281,437,118**	281,437,118
Retained earnings (Note 27)	**2,626,463,313**	2,180,379,054
Other comprehensive income (Notes 9, 15 and 21)	**169,321,071**	(96,567,565)
Other reserves (Note 27)	**1,003,041,257**	1,003,041,257
Treasury shares (Note 27)	**(459,418,212)**	(459,418,212)
	5,554,150,470	4,842,177,575
Non-controlling interests (Notes 4 and 10)	**114,457,299**	95,810,361
Total Equity	**5,668,607,769**	4,937,987,936
TOTAL LIABILITIES AND EQUITY	**₱11,504,693,868**	₱10,470,087,433

See accompanying Notes to Consolidated Financial Statements.

MACROASIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2022	2021	2020
REVENUE (Notes 18 and 19)			
In-flight and other catering	**₱2,288,520,288**	₱592,156,706	₱950,879,262
Ground handling and aviation	**2,049,535,189**	1,050,394,788	1,057,628,803
Water distribution	**515,009,510**	277,192,389	221,429,144
Administrative fees	**30,443,040**	29,120,772	23,470,384
Exploratory drilling fees (Note 29)	–	–	4,156,179
	4,883,508,027	1,948,864,655	2,257,563,772
DIRECT COSTS AND EXPENSES (Notes 20 and 29)			
In-flight and other catering	**1,735,536,609**	597,352,930	907,828,375
Ground handling and aviation	**1,851,277,355**	1,129,012,865	1,236,058,342
Water distribution	**330,109,113**	221,691,668	173,850,823
Administrative fees	**52,602,359**	42,190,376	41,149,796
Exploratory drilling	**231,878**	1,859,520	5,713,779
	3,969,757,314	1,992,107,359	2,364,601,115
GROSS PROFIT (LOSS)	**913,750,713**	(43,242,704)	(107,037,343)
SHARE IN NET EARNINGS (LOSSES) OF ASSOCIATES (Note 9)	**470,847,906**	317,828,498	(639,807,745)
	1,384,598,619	274,585,794	(746,845,088)
OPERATING EXPENSES (Note 20)	**793,288,658**	467,592,493	931,657,302
INCOME (LOSS) FROM OPERATIONS	**591,309,961**	(193,006,699)	(1,678,502,390)
OTHER INCOME (CHARGES) - Net (Note 22)			
Interest income (Notes 5 and 18)	**3,902,263**	2,786,682	9,547,969
Financing charges (Notes 16, 18, 22 and 28)	**(148,954,785)**	(159,709,693)	(132,524,490)
Foreign exchange gain (loss) - net	**1,531,770**	21,538,917	(60,038,305)
Other income - net (Note 22)	**106,469,095**	85,600,858	52,006,771
	(37,051,657)	(49,783,236)	(131,008,055)
INCOME (LOSS) BEFORE INCOME TAX	**554,258,304**	(242,789,935)	(1,809,510,445)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 25)			
Current	**63,746,717**	14,579,383	9,148,777
Deferred	**29,077,512**	(106,444,331)	(18,449,939)
	92,824,229	(91,864,948)	(9,301,162)
NET INCOME (LOSS)	**₱461,434,075**	(₱150,924,987)	(₱1,800,209,283)
Net income (loss) attributable to:			
Equity holders of the Company	**₱446,084,259**	(₱2,162,245)	(₱1,587,308,157)
Non-controlling interests (Notes 4 and 10)	**15,349,816**	(148,762,742)	(212,901,126)
	₱461,434,075	(₱150,924,987)	(₱1,800,209,283)
Basic/Diluted Earnings (Loss) Per Share* (Note 26)	**₱0.235**	(₱0.001)	(₱0.837)

**After retroactive effect of 20% stock dividends in 2020.*

See accompanying Notes to Consolidated Financial Statements.

MACROASIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2022	2021	2020
NET INCOME (LOSS)	**₱461,434,075**	(₱150,924,987)	(₱1,800,209,283)
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Net foreign currency translation adjustments (Note 9)	**132,775,412**	57,401,250	(49,177,022)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity investments held at FVTOCI (Note 15)	**18,700,000**	12,750,000	(6,800,000)
Remeasurement gains (losses) on defined benefit plans, net of tax effect (Note 21)	**6,165,566**	132,819,499	(82,954,716)
Share in remeasurement gains (losses) on defined benefit plans of associates (Note 9)	**111,544,780**	109,775,691	(86,650,358)
	269,185,758	312,746,440	(225,582,096)
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱730,619,833**	₱161,821,453	(₱2,025,791,379)
Other comprehensive income (loss) attributable to:			
Equity holders of the Company	**₱265,888,636**	₱269,467,583	(₱206,082,665)
Non-controlling interests (Notes 4 and 10)	**3,297,122**	43,278,857	(19,499,431)
	₱269,185,758	₱312,746,440	(₱225,582,096)
Total comprehensive income (loss) attributable to:			
Equity holders of the Company	**₱711,972,895**	₱267,305,338	(₱1,793,390,822)
Non-controlling interests (Notes 4 and 10)	**18,646,938**	(105,483,885)	(232,400,557)
	₱730,619,833	₱161,821,453	(₱2,025,791,379)

See accompanying Notes to Consolidated Financial Statements.

MACROASIA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	Attributable to Equity Holders of the Company														
				Other Comprehensive Income											
	Capital Stock	Additional Paid-in Capital	Other Reserves	Reserve for Fair Value Changes of Financial Assets Investments	Share in Foreign Currency Translation Adjustments of an Associate	Remeasurements on Defined Benefit Plans	Share in Remeasurements on Defined Benefit Plan of Associates	Subtotal	Retained Earnings	Treasury Shares	Subtotal	Non-controlling Interests	Total
BALANCES AT JANUARY 1, 2020	**₱1,618,146,293**	**₱281,437,118**	**₱1,030,075,272**	**₱45,069,999**	**(₱47,322,066)**	**(₱14,908,356)**	**(₱142,792,060)**	**(₱159,952,483)**	**₱4,081,275,526**	**(₱426,826,835)**	**₱6,424,154,891**	**₱413,688,263**	**₱6,837,843,154**
Net income (loss)	–	–	–	–	–	–	–	–	(1,587,308,157)	–	(1,587,308,157)	(212,901,126)	(1,800,209,283)
Other comprehensive income (loss)	–	–	–	(6,800,000)	(49,177,022)	(63,455,285)	(86,650,358)	(206,082,665)	–	–	(206,082,665)	(19,499,431)	(225,582,096)
Total comprehensive income (loss)	–	–	–	(6,800,000)	(49,177,022)	(63,455,285)	(86,650,358)	(206,082,665)	(1,587,308,157)	–	(1,793,390,822)	(232,400,557)	(2,025,791,379)
Declaration of 20% stock dividend	315,159,630	–	–	–	–	–	–	–	(315,159,630)	–	–	–	–
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	(32,591,377)	(32,591,377)	–	(32,591,377)
Acquisition of investment in subsidiaries from non-controlling interests incorporated subsidiary	–	–	(27,034,015)	–	–	–	–	–	3,733,560	–	(23,300,455)	(13,619,160)	(36,919,615)
BALANCES AT DECEMBER 31, 2020	**1,933,305,923**	**281,437,118**	**1,003,041,257**	**38,269,999**	**(96,499,088)**	**(78,363,641)**	**(229,442,418)**	**(366,035,148)**	**2,182,541,299**	**(459,418,212)**	**4,574,872,237**	**167,668,546**	**4,742,540,783**
Net income (loss)	–	–	–	–	–	–	–	–	(2,162,245)	–	(2,162,245)	(148,762,742)	(150,924,987)
Other comprehensive income (loss)	–	–	–	12,750,000	57,401,250	89,540,642	109,775,691	269,467,583	–	–	269,467,583	43,278,857	312,746,440
Total comprehensive income (loss)	–	–	–	12,750,000	57,401,250	89,540,642	109,775,691	269,467,583	(2,162,245)	–	267,305,338	(105,483,885)	161,821,453
Additional investment of non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	33,625,700	33,625,700
BALANCES AT DECEMBER 31, 2021	**1,933,305,923**	**281,437,118**	**1,003,041,257**	**51,019,999**	**(39,097,838)**	**11,177,001**	**(119,666,727)**	**(96,567,565)**	**2,180,379,054**	**(459,418,212)**	**4,842,177,575**	**95,810,361**	**4,937,987,936**
Net income (loss)	–	–	–	–	–	–	–	–	446,084,259	–	446,084,259	15,349,816	461,434,075
Other comprehensive income (loss)	–	–	–	18,700,000	132,775,412	2,868,444	111,544,781	265,888,636	–	–	265,888,636	3,297,122	269,185,758
Total comprehensive income (loss)	–	–	–	18,700,000	132,775,412	2,868,444	111,544,781	265,888,636	446,084,259	–	711,972,895	18,646,938	730,619,833
BALANCES AT DECEMBER 31, 2022	**₱1,933,305,923**	**₱281,437,118**	**₱1,003,041,257**	**₱69,719,999**	**₱93,677,574**	**₱14,045,445**	**(₱8,121,946)**	**₱169,321,071**	**₱2,626,463,313**	**(₱459,418,212)**	**₱5,554,150,470**	**₱114,457,299**	**₱5,668,607,769**

See accompanying Notes to Consolidated Financial Statements.

MACROASIA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	**₱554,258,304**	(₱242,789,935)	(₱1,809,510,445)
Adjustments for:			
Depreciation and amortization (Notes 4, 11, 13, 15, 20 and 28)	**344,109,580**	338,786,814	313,883,156
Share in net loss (earnings) of associates (Note 9)	**(470,847,906)**	(317,828,498)	639,807,745
Financing charges (Notes 16, 18, 22 and 28)	**148,954,785**	159,709,693	132,524,490
Interest income (Notes 5 and 22)	**(3,902,263)**	(2,786,682)	(9,547,969)
Unrealized foreign exchange loss (gain) - net	**(1,531,771)**	(587,694)	2,537,803
Retirement benefits costs (Note 21)	**26,988,603**	31,341,040	68,242,853
Reversal of impairment loss on deferred mine exploration costs (Note 20)	**–**	(217,070,925)	–
Provision for (reversal of) other long-term benefits (Note 21)	**703,256**	(15,443,151)	10,838,994
Operating income (loss) before working capital changes	**598,732,588**	(266,669,338)	(651,223,373)
Decrease (increase) in:			
Receivables and contract assets	**(538,327,202)**	431,486,514	132,072,713
Inventories	**(37,046,993)**	(22,679,896)	26,360,117
Other current assets	**(111,666,128)**	(95,715,379)	83,621,245
Service concession rights	**–**	–	(18,162,324)
Increase (decrease) in accounts payable and accrued liabilities	**664,108,122**	(206,729,584)	(19,411,600)
Cash generated from (used in) operations	**575,800,387**	(160,307,683)	(446,743,222)
Interest received	**3,902,263**	2,786,682	5,739,411
Financing charges paid	**(117,272,345)**	(118,450,165)	(104,014,589)
Contributions to the retirement fund and benefits paid (Note 21)	**(3,516,586)**	(35,054,153)	(21,842,600)
Income taxes paid, including creditable withholding taxes and tax credit certificates	**(43,123,702)**	(18,371,009)	(58,617,869)
Net cash flows from (used in) operating activities	**415,790,017**	(329,396,328)	(625,478,869)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 11)	**(133,550,984)**	(156,984,333)	(157,044,125)
Investments, net of cash acquired (Notes 9 and 27)	**–**	–	(26,930,103)
Right-to-use of water permits (Note 13)	**(8,347,270)**	–	–
Dividends received (Note 9)	**114,686,188**	–	963,261,800
Returns from (additional) refundable deposits and other noncurrent assets (Note 15)	**(21,736,165)**	10,991,362	37,625,170
Net cash from (used in) investing activities	**(48,948,231)**	(145,992,971)	816,912,742

(Forward)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of:			
Notes payable (Notes 16 and 33)	**₱40,000,000**	₱240,000,000	₱145,000,000
Long-term debts (Notes 16 and 33)	**200,000,000**	128,540,000	252,950,917
Payments of:			
Notes payable (Notes 16 and 33)	**(321,000,000)**	(415,000,000)	(125,000,000)
Long-term debts (Notes 16 and 33)	**(210,996,567)**	(180,389,609)	(327,785,237)
Lease liabilities (Notes 28 and 33)	**(112,006,096)**	(63,475,642)	(48,374,107)
Acquisition of treasury shares (Note 27)	–	–	(32,591,377)
Dividends paid (Note 27)	–	–	(3,960,000)
Net cash used in financing activities	**(404,002,663)**	(290,325,251)	(139,759,804)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,531,772**	587,694	(2,538,803)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(35,629,105)**	(765,126,856)	49,135,266
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**503,647,838**	1,268,774,694	1,219,639,428
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**₱468,018,733**	₱503,647,838	₱1,268,774,694

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information and Business Operations

Corporate Information
MacroAsia Corporation (the Company or MAC), a publicly-listed corporation, was incorporated in the Philippines on February 16, 1970 under the name Infanta Mineral & Industrial Corporation to engage in the business of geological exploration and development. On January 26, 1994, its Articles of Incorporation was amended to change its primary purpose from exploration and development to that of engaging in the business of a holding company, and changed its corporate name to Cobertson Holdings Corporation. On November 6, 1995, the Company's Articles of Incorporation was again amended to change its corporate name to its present name. On August 7, 2018, the Company's Articles of Incorporation was further amended for the extension of the Company's corporate life for another 50 years, from and after February 15, 2020. However, under the Revised Corporation Code of the Philippines, MAC shall have perpetual corporate life. Its registered office address is at 12th Floor, PNB Allied Bank Center, 6754 Ayala Avenue, Makati City.

Business Operations
The principal activities of the Company and its subsidiaries (collectively referred to as the Group) are described in Note 4. The Company, through its subsidiaries and associates (see Note 9), is primarily engaged in aviation-support businesses at the Ninoy Aquino International Airport (NAIA), Manila Domestic Airport (MDA), Mactan-Cebu International Airport (MCIA), Kalibo International Airport (KIA), Davao International Airport and the General Aviation Areas. It provides in-flight catering services, ground handling services for passenger and cargo aircraft, and helicopter charter flight services. It also operates/develops the sole economic zone within the NAIA.

Through MacroAsia Catering Services Corporation (MACS) and its subsidiaries, the Company also provides food requirements of some passenger terminal lounges in NAIA. MACS and its subsidiaries have also ventured into the provision of the food service requirements of non-airline institutional clients outside the airport. Through MacroAsia Properties Development Corporation (MAPDC), the Company started pursuing projects related to reclaimed water supply, bulk water supply using surface water sources, and water distribution in areas outside of Metro Manila. Further, considering the expertise of staff gained through the exploration of the Company's Infanta Nickel Project in Palawan, the Company has rendered nickel exploration services for other mining companies, through MacroAsia Mining Corporation (MMC), a wholly-owned subsidiary.

Through Lufthansa Technik Philippines, Inc. (LTP), an associate, which has a maintenance, repairs and overhaul facility in the Philippines, the Company provides globally competitive heavy maintenance and engineering services for specific models of Airbus and Boeing aircraft for airline clients all over the world.

The consolidated financial statements of the Group as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 were authorized for issuance by the Board of Directors (BOD) on March 23, 2023.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation
The consolidated financial statements have been prepared using the historical cost basis, except for equity investments held at fair value through other comprehensive income (FVTOCI) which are carried at fair value. The consolidated financial statements are presented in Philippine peso (Peso), which is the Company's functional and presentation currency. Amounts are rounded to the nearest Peso except when otherwise indicated.

Statement of Compliance
The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

The financial reporting framework includes all applicable PFRSs, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Interpretations Committee and International Financial Reporting Interpretations Committee (IFRIC) including the Philippine SEC pronouncements.

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

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

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

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

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

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a First-time Adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  - Amendments to PAS 41, *Agriculture, Taxation in Fair Value Measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Income Taxes*, *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

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

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Accounting Estimates*

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

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

- Amendments to PAS 1, *Presentation of Financial Statements* and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

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

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

Effective beginning on or after January 1, 2024

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

  The amendments clarify paragraphs 69 to 76 of PAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

- Amendments to PFRS 16, *Leases*, *Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

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

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The significant accounting policies adopted in the preparation of the consolidated financial statements are summarized below.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group, its direct subsidiaries, the subsidiaries of MACS, MAPDC, Boracay Tubi Systems Inc. (BTSI) and the subsidiary of MMC, Watergy Business Solutions, Inc. (WBSI) and Allied Water Services, Inc. (AWSI), which are all incorporated in the Philippines and registered with the Philippine SEC as of December 31 of each year.

		Percentage of Ownership by MAC				Percentage of Direct Ownership by MACS/ MAPDC/ WBSI/BTSI/ MMC/AWSI	
		2022		2021			
Entity	Nature of business	**Direct**	**Indirect**	Direct	Indirect	**2022**	2021
MacroAsia Airport Services Corporation (MASCORP)[9]	Ground handling aviation services	**80[9]**	**–**	**80[9]**	–	**–**	–
MacroAsia Catering Services Corporation (MACS)	In-flight and other catering services	**67**	**–**	67	–	**–**	–
MacroAsia SATS Food Industries (MSFI)[8]	Meal production and food processing	**–**	**67**	–	67	**100**	100
MacroAsia SATS Inflight Services Corporation (MSISC)[8]	Meal production and food processing	**–**	**67**	–	67	**100**	100
MacroAsia Air Taxi Services, Inc. (MAATS)	Helicopter chartering services	**100**	**–**	100	–	**–**	–
MacroAsia Properties Development Corporation (MAPDC)	Economic Zone (Ecozone) developer/operator and water supplier	**100**	**–**	100	–	**–**	–
SNV Resources Development Corporation (SNVRDC)	Water treatment and distribution	**–**	**100**	–	100	**100**	100
Boracay Tubi System, Inc. (BTSI)[3]	Water treatment and distribution, and construction of sewage treatment plant	**–**	**67**	–	67	**67**	67
MONAD Water and Sewerage Systems, Inc. (MONAD)[3]	Water sewerage treatment	**–**	**53.6**	–	53.6	**80**	80
New Earth Water System, Inc. (NEWS)[3]	Water projects	**–**	**67**	–	67	**100**	100
Naic Water Supply Corporation (NAWASCOR)[4]	Water distribution	**–**	**100**	–	100	**100**	100
Mabini Pangasinan Resources Development Corporation (MPRDC)[2]	Water projects	**–**	**100**	–	100	**100**	100
Panay Water Business Resources, Inc. (PWBRI)[2]	Water projects	**–**	**90**	–	90	**90**	90
Watergy Business Solutions, Inc. (WBSI)	Water projects	**–**	**100**	–	100	**100**	100
Cavite Business Resources Inc. (CBRI)	Water projects	**–**	**100**	–	100	**100**	100
First Aviation Academy, Inc.[5]	Aviation school	**51**	**–**	51	–	**–**	–
Allied Water Services, Inc. (AWSI)[1]	Water projects	**100**	**–**	100	–	**–**	–
AlliedKonsult Eco Solutions Corporation (AKESC)[2]	Water treatment	**–**	**51**	–	51	**51**	51

(Forward)

		Percentage of Ownership by MAC				Percentage of Direct Ownership by MACS/ MAPDC/ WBSI/BTSI/ MMC/AWSI	
		2022		2021			
Entity	Nature of business	**Direct**	**Indirect**	Direct	Indirect	**2022**	2021
Cavite AllliedKonsult Services Corporation[2]	Water treatment	**–**	**51**	–	51	**100**	100
Summa Water Resources Inc. (SWRI)[6]	Water treatment and equipment lease	**–**	**60**	–	60	**60**	60
MacroAsia Mining Corporation (MMC)	Mine exploration, development and operation	**100**	**–**	100	–	**–**	–
Bulawan Mining Corporation [2],[7]	Mine operation, development and utilization	**–**	**100**	–	100	**100**	100
Aqualink Resources Development, Inc. [11]		**–**	**51**	–	51	**51**	51
Tera Information and Connectivity Solutions, Inc. (TICS) [12]	Information management and data connectivity	**100**	**–**	100	–	**–**	–

(1) *Resumed operation as holding company of newly acquired water companies*
(2) *No commercial operations as of December 31, 2021*
(3) *Ownership interest effective December 2, 2016*
(4) *Ownership interest effective August 1, 2017*
(5) *Incorporated on December 5, 2017 and started commercial operations on May 19, 2019*
(6) *Ownership interest effective October 1, 2018*
(7) *Ownership interest effective November 15, 2018*
(8) *Started commercial operations on March 16, 2019*
(9) *Change in ownership interest starting December 5, 2019 (see Note 11)*
(10) *Ownership interest effective March 2, 2020*
(11) *Ownership interest effective March 9, 2021*
(12) *Ownership interest effective February 11, 2021*

Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Adjustments, where necessary, are made to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but are considered as an impairment indicator of the assets transferred.

Non-controlling Interests

Non-controlling interest represents the portion of the net assets of consolidated subsidiaries not held by the Group. Non-controlling interest is presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within the equity section of the consolidated balance sheet, separate from the Company's equity. Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognized in equity of the Company in transactions where the non-controlling interests are acquired or sold without loss of control. This is recognized in the Company's "other reserves". If the Group loses control over a subsidiary, it: (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary; (b) derecognizes the carrying amount of any non-controlling interests; (c) derecognizes the cumulative translation differences recorded in equity; (d) recognizes the fair value of the consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in profit or loss; (g) reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The Group should re-attribute a proportion of the goodwill between the controlling and non-controlling interests when their relative ownership interests change. The proportion of goodwill that is attributable to the non-controlling interests is not necessarily equal to their ownership percentage.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. As of the acquisition date, the acquirer shall recognize, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. The excess of consideration of an acquisition over the fair values of acquired identifiable assets and liabilities is recognized as goodwill. For each business combination, the acquirer has the option to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When a business is acquired, the financial assets and financial liabilities assumed are assessed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group as an acquirer shall report in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete.

During the measurement period, the Group as an acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Group as an acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Group as an acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9, either in profit or loss or as a charge to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the fair values of net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

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

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Common control business combinations
Where there are business combinations involving entities that are ultimately controlled by the same ultimate parent (i.e., controlling shareholders) before and after the business combination and that the control is not transitory ("business combinations under common control"), the Group accounts for such business combinations in accordance with the guidance provided by the Philippine Interpretations Committee Q&A No. 2011-02, PFRS 3.2 *Common Control Business Combinations*. The purchase method of accounting is used, if the transaction was deemed to have substance from the perspective of the reporting entity. In determining whether the business combination has substance, factors such as the underlying purpose of the business combination and the involvement of parties other than the combining entities such as the non-controlling interest, shall be considered. In cases where the transaction has no commercial substance, the business combination is accounted for using the pooling of interest method.

In applying the pooling of interest method, the Group follows the Philippine Interpretations Committee Q&A No. 2012-01, PFRS 3.2 - *Application of the Pooling of Interest Method for Business Combinations of Entities under Common Control in Consolidated Financial Statements*, which provides the following guidance:

- the assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies;
- no new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity as other equity reserve, i.e., either contribution or distribution of equity;
- the consolidated statement of income reflects the results of the combining entities for the full year, irrespective of when the combination took place; and
- as a policy, comparatives are presented as if the entities had always been combined.

<u>Investments in Associates</u>
Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in associates is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income of the investee is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associates, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The aggregate of the Group's share of profit or loss of associates is shown in the profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associates.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value, and then recognizes the loss in profit or loss.

Upon loss of significant influence over the associates, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Investments in associates pertain to the Company's investments in shares of stock of LTP, 49%-owned, Cebu Pacific Catering Services, Inc. (CPCS), 40%-owned, MacroAsia WLL, 35%-owned, Citicore Summa Water Corporation (CSWC), 24%-owned through SWRI and 30%-owned, Japan Airport Services Co., Ltd., (JASCO).

Foreign Currency-denominated Transactions and Translations
Each entity in the Group determines its own functional currency and the items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the foreign currency rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency rate of exchange at end of reporting period. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Various factors are considered in determining the functional currency of each entity within the Group, including prices of goods and services, competition, cost and expenses, and other factors including the currency in which financing deals are primarily undertaken. Additional factors are considered in determining the functional currency of a foreign operation, including whether its activities are carried as an extension of the Group rather than being carried out with significant autonomy.

The financial position and results of operations of associates in United States (US) Dollar ($) and Japanese Yen (JPY) functional currency are translated into the Group's presentation currency using the following procedures:

a. Assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date.
b. Income and expenses for each statement of income and items recognized in other comprehensive income (except for the cumulative translation adjustments) are translated using the monthly average rate.
c. Equity items other than those resulting from income and expense and other comprehensive income are translated at historical rates of exchange.
d. All resulting exchange differences are recognized as part of other comprehensive income (loss) and as a separate component of equity presented as "Other components of equity" under "Share in foreign currency translation adjustments of an associate".

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

At each reporting date, the Group analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

As of December 31, 2022 and 2021, the Group's equity investments held at FVTOCI are carried at fair value (see Note 15). Also, fair values of financial instruments measured at amortized cost are disclosed in Note 32. The Group also discloses the fair value of its investment property with unrecognized fair value measurements (see Notes 12 and 32).

Financial Assets and Financial Liabilities
Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVTOCI, and fair value through profit or loss (FVTPL).

Initial recognition
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain significant financing component or for which the Group has applied the practical expedient, the Group measures a financial asset at fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or which the Group has applied the practical expedient are measured at transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

As at December 31, 2022 and 2021, the Group's financial assets consist of financial assets at amortized cost and financial assets at FVTOCI with no recycling of cumulative gains and losses upon derecognition.

Financial assets at amortized cost (debt instruments)
This category is most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

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

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

As of December 31, 2022 and 2021, the Group's financial assets at amortized cost includes cash and cash equivalents, receivables, net investment in lease, refundable deposits and restricted cash investments included under "Other noncurrent assets".

Financial assets designated at FVTOCI (debt instruments)
The Group measures debt instruments at FVTOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVTOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

As of December 31, 2022 and 2021, the Group does not have debt instruments designated at FVTOCI.

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its equity instruments under this category.

As of December 31, 2022 and 2021, the Group's equity instruments at FVTOCI include golf club shares and equity shares.

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

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

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

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

Other financial liabilities
This category pertains to financial liabilities that are not held for trading or not designated as FVTPL upon the inception of the liability. These include liabilities arising from operating and financing activities.

Borrowings are recognized initially at fair value, net of any transaction cost incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

Accounts payable and accrued expenses are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established. These are measured at amortized cost, normally equal to the nominal amount.

Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium or discount and any directly attributable transaction costs.

The Group's accounts payable and accrued expenses (except for statutory payables), lease liabilities, notes payable, long-term debts and dividends payable are classified as other financial liabilities.

Derecognition of Financial Assets and Financial Liabilities
Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of an entity of similar financial assets) is derecognized when:

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

Where the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

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

"Day 1" Difference
Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset (i.e., rights that are not dependent on the occurrence of a future event) the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default and insolvency or bankruptcy of the Group and all of the counterparties.

Current versus Non-Current Classification
The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

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

Cash and Cash Equivalents
Cash consists of cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and are subject to an insignificant risk of changes in value.

Cash and cash equivalents which are restricted in use are not presented as part of cash, but presented separately as part of "Other current assets" or "Other noncurrent assets" depending on the maturity.

Inventories

Inventories are stated at the lower of cost and net realizable value (NRV). Cost, which includes purchase price and costs incurred in bringing the product to its present location and condition, is determined on the basis of the moving average method.

NRV of food and beverage is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. In the case of materials and supplies, NRV is the recoverable value of the inventories when disposed of at their current condition.

Value-Added Tax (VAT) and Tax Credit Certificates (TCCs)

Revenue, expenses, assets and liabilities are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated balance sheet. When VAT passed on from purchase of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated balance sheet to the extent of the recoverable amount. Receivables and payables are stated with the amount of VAT included. For sale or purchase of services, related VAT is deferred until the related receivable or payable from the transaction has been collected or paid.

The unamortized portion is included input taxes account under "Other noncurrent assets" in the consolidated balance sheet. The Group maintains an allowance for any possible disallowance of conversion of input VAT to TCC. A review of input VAT is made on a continuing basis to determine the adequacy of allowance for probable losses at each reporting date.

The net amount of VAT recoverable from, or payable to taxation authority is included in "Other current assets" and "Accounts payable and accrued liabilities", respectively, in the consolidated balance sheet.

TCCs pertain to amount of tax credit for which the Group is allowed or entitled to in accordance with applicable laws and can be used to settle the Group's obligations due to the national government.

Creditable Withholding Taxes

Creditable withholding taxes are deducted from income tax due on the same year the revenue was recognized, with excess recognized as current asset.

Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less impairment in value, if any.

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

Construction in progress, which is included in property, plant and equipment, is carried at cost. This includes cost of construction, equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and become available for use.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

	No. of years
Building	5 to 25
Kitchen and other operations equipment	3 to 10
Transportation equipment	5
Aviation equipment	2 to 10
Plant and technical equipment	10 to 20
Water pumps and machineries	10 to 20
Water pipelines	10
Drilling equipment	5
Office furniture, fixtures and equipment	3 to 7

Building and leasehold and land improvements are amortized over the respective lease term or the lives of the assets (which range from 2 to 25 years), whichever is shorter.

Depreciation and amortization of an item of property, plant and equipment begins when the asset becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation and amortization ceases at the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* or the date the asset is derecognized, whichever is earlier.

The useful lives and depreciation and amortization methods are reviewed periodically to ensure that the residual values, periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

When property, plant and equipment are sold or retired, their cost, related accumulated depreciation and amortization and any accumulated impairment in value are removed from the accounts. Any gain or loss resulting from their disposal is included in profit or loss.

Fully depreciated property, plant and equipment are retained in the accounts until these are no longer in use.

<u>Leases</u>
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Net investment in the lease
The Group recognizes assets held under a finance lease as net investment in the lease. The net investment in the lease is the gross investment discounted at the interest rate implicit in the lease. The gross investment in the lease is the aggregate of the minimum lease payments receivable by the Group,

and any guaranteed and unguaranteed residual value. Initial direct costs are in the measurement of the net investment in the least at inception. The lease payments received from the lessee are treated as repayments of principal and finance income.

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as presented below:

	In Years
Land	5 to 50
Office space	5 to 35

Right-of-use assets are subject to impairment. Refer to the accounting policies in section impairment of non-financial assets.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery, equipment, office space and staff house (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The Group as lessor
Leases where the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases where the Group retains legal title to assets but passes substantially all the risks and rewards of ownership to the lessee in return for a stream of rentals are classified as finance leases. The Group recognizes assets held under a finance lease as an amount equal to the net investment in the lease as "Finance lease receivables." The net investment in the lease is the gross investment discounted at the interest rate implicit in the lease. The gross investment in the lease is the aggregate of the minimum lease payments receivable by the Group, and any guaranteed and unguaranteed residual value. Initial direct costs are included in the measurement of the net investment in the lease at the date of inception. The lease payments received from the lessee are treated as repayments of principal and finance income.

<u>Investment Property</u>
Investment property, which pertains to a parcel of land held for appreciation in value and land and building held for rentals, are measured at cost less any impairment in value.

Investment property is derecognized when it has either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses resulting from the derecognition of an investment property is recognized in profit or loss in the year of derecognition. Transfers are made to investment property when, and only when, there is a change in use, evidenced by cessation of owner-occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

<u>Service Concession Arrangements</u>
The Group accounts for its service concession arrangements in accordance with Philippine Interpretation IFRIC 12, *Service Concession Arrangements*, under the intangible asset model as it receives the right (license) to charge users of public service (see Note 13).

Revenue and cost recognition. The Group recognizes and measures revenue and cost in accordance with PFRS 15, for the services it performs. When the Group provides construction or upgrade services, the consideration received or receivable by the Group is recognized at its fair value. The revenue and cost from these services are recognized based on the percentage of completion measured principally on the basis of estimated completion of a physical proportion of the contract works, and by reference to the actual costs incurred to date over the estimated total cost of the project. The construction revenue and construction cost are reported as part of "Other income" in the consolidated statement of income.

Contract assets ongoing construction. During the construction phase of the arrangements, the Group's contract assets (representing its accumulating right to be paid for rehabilitation works) are presented as part of "Service concession assets" (SCA) for intangible asset model.

Service concession right. The service concession right is recognized initially at the fair value of construction works incurred, which include professional and consultancy fees, structural costs, etc. The Group applies PAS 38, *Intangible Assets,* on measuring the intangible assets. Following initial recognition, the service concession right is carried at cost less accumulated amortization and any impairment losses. Amortization period is based on the concession period.

The service concession right will be derecognized upon turnover to the grantor. There will be no gain or loss upon derecognition as the service concession right, which is expected to be fully amortized by then, will be handed over to the grantor with no or minimal consideration.

Intangible Assets
The Group recognizes an intangible asset acquired in a business combination if it is identifiable and distinguishable from goodwill. The Group considers an intangible asset as identifiable if:

- it is separable, i.e., there is evidence of exchange transactions for the asset or an asset of a similar type, even if those transactions are infrequent and regardless of whether the Group is involved in those transactions; or
- it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations ("contractual-legal" criterion).

The Group's intangible assets recognized from business combination pertain to customer relationship, customer contracts and right to use asset (i.e., extraction and distribution of water in certain provinces in the Philippines). The estimated useful life of the intangible assets follows:

	No. of years
Customer relationships	22
Customer contracts	18

The right-to-use of water permits is assessed to have an indefinite useful life.

Deferred Mine Exploration Costs
Expenditures for mine exploration works on mining properties (i.e., acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource) are deferred as incurred, carried at cost less any impairment in value and presented as "Deferred mine exploration costs" in the consolidated balance sheet. When, as a result of the exploration work, recoverable reserves are determined to be present in quantities that can be commercially produced, exploration expenditures and subsequent development costs are capitalized as mine and mining properties and classified as part of property and equipment. A valuation allowance is provided for estimated unrecoverable deferred mine exploration costs based on the technical assessment by the Group of the future prospects of each mining property. Full provision is made for the impairment unless it is probable that such costs are expected to be recouped through successful exploration and development of the area of interest, or alternatively, by its sale. If the project does not prove to be viable or when the project is abandoned, the deferred mine exploration costs associated with the project and the related impairment provisions are written off. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

Mining expenses, which are not related to establishing the technical feasibility and commercial viability of mineral resource extractions, are expensed outright.

Deferred Project Costs
Deferred project costs pertain to expenditures related to ongoing water projects where technical feasibility has been completed and the Group has the intention and ability (e.g., technical and financial) to complete the relevant activities to have grants from government authorities either to provide bulk or retail water services. Once grants from government authorities are awarded, the Group assesses

whether these assets shall be accounted for under Philippine Interpretation IFRIC 12 or property and equipment. Deferred project costs are not amortized until these are transferred as property, plant and equipment or either financial or intangible asset under IFRIC 12.

Nonrefundable Security Deposits

Nonrefundable security deposits are included as part of "Other noncurrent assets" which represent the difference between the face amount and the present value of refundable rental deposits made and are being amortized on a straight-line basis over the lease term. Amortization of nonrefundable security deposits is included under "Financing charges" account in the consolidated statement of income. Accretion of the refundable rental deposits using the effective interest method is included under "Interest income" account in the consolidated statement of income.

Impairment of Nonfinancial Assets

Nonfinancial assets other than goodwill and intangible assets with indefinite life

The Group assesses at each reporting date whether there is an indication that investments in associates, property, plant and equipment, right-of-use assets, investment property, deferred project costs, service concession right and intangible assets with finite life may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. The Group also assesses its deferred mine exploration costs for impairment when facts and circumstances suggest that its carrying amount may exceed its recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed and recognized in profit or loss only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill and intangible assets with indefinite life

Goodwill and intangible assets with indefinite life are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash generating unit (or group of cash generating units) to which the goodwill relates or the intangible assets with indefinite life. Where the recoverable amount of the cash-generating unit to which goodwill has been allocated or the intangible assets with indefinite life is less than its carrying amount, an impairment loss is recognized immediately in profit or loss. Impairment losses relating to goodwill or intangible assets with indefinite life cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test at each end of the reporting date.

Revenue from Contracts with Customers

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

Sale of goods (beverage and dry store)

Sale of beverage and dry store is recognized at point in time upon delivery of goods to and acceptance by airline clients and other customers.

Rendering of services

Revenue from inflight and other catering, ground handling, aviation and administrative services, charter flights, water service (including provision of potable water and treatment of sewage water) and exploratory drilling services is recognized over time when the related services are rendered.

The Group, through BTSI, also provides operation and maintenance of sewerage treatment plant (STP) that is either performed separately or together with the construction of STP. The operation and maintenance of STP can be obtained from other providers and do not significantly customize or modify the construction of STP. Contracts for construction and operation and maintenance of STP comprise two separate and distinct performance obligations because each are capable of being distinct and separately identifiable.

In determining the transaction price for the construction and operation and maintenance of sewerage treatment plant, the Group allocates the transaction price based on relative stand-alone selling prices of the performance obligations. Further, the Group considers the effects of variable consideration and the existence of significant financing component.

Revenue from construction of STP is recognized over time as the construction of STP creates an asset that the customer controls as the STP is constructed. Revenue from operation and maintenance of STP is recognized over time as the customers simultaneously receive and consume the benefits provided by the Group.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the contract inception and is not constrained since it is not highly probable that a significant revenue reversal in the amount of cumulative revernue recognized will occur considering that the uncertainty on the variable consideration will be resolved within a short time frame.

Significant financing component

Generally, the Group receives the consideration within the normal credit terms from its customers. Using the practical expedient in PFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of promised good or service to the customer will be one year or less.

The Group receives the consideration for BTSI’s construction of STP over three to four years. The transaction price for such contracts is discounted using the rate that would be reflected in a separate financing transaction between BTSI and its customers at contract inception to take into consideration the significant financing component.

Interest Income

Interest income is recognized as the interest accrues using, where applicable, the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the net carrying amount of the financial assets.

Dividend Income

Dividend income is recognized when the Group's right as a shareholder to receive the payment is established.

Contract Balances

Contract assets

A contract asset is the right to consideration in exchange for goods and services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in section Financial Assets and Financial Liabilities - initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the 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. If a customer pays consideration before the Group transfers goods and services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Direct Costs, Selling Expenses and General and Administrative Expenses

Direct costs, which include expenses incurred by the Group for the generation of revenue from rendering of in-flight and other catering services, rental and administrative services, ground handling and aviation services, water treatment and distribution, exploratory services and charter flights are expensed as incurred.

Selling expenses, which include costs of advertising and promotion, and general and administrative expenses, which include the cost of administering the business, are not directly associated with the generation of revenue and are generally expensed as incurred.

Other Comprehensive Income

Other comprehensive income comprises items of income and expense (including items previously presented under the consolidated statement of changes in equity) that are not recognized in profit or loss for the year in accordance with PFRSs. Other comprehensive income of the Group includes share in foreign currency translation adjustments on investment in associates, unrealized changes in fair value of financial assets held at FVTOCI, remeasurements in the Group's defined benefit plans and the Group's share in associates' remeasurements on defined benefit plans.

<u>Employee Benefits</u>

Retirement benefits costs

Retirement benefits costs are actuarially determined using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each separately to build up the final obligation. Retirement benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset; and
- Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined liability) and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group’s right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

The amount recognized as accrued retirement benefits payable or plan asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, if any, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before 12 months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period. For leave credits expected to be settled at the date of retirement or recognition, the liability is presented at its present value using assumptions consistent with those used to discount retirement benefits. The expense recognized in profit or loss comprise the service cost, net interest of the liability and remeasurements.

Short-term employee benefits
Short-term employee benefits include items such as salaries and wages, social security contributions and nonmonetary benefits, if expected to be settled wholly within 12 months after the reporting date in which the employees rendered the related services. Short-term employee benefits are recognized as expense as incurred. When an employee has rendered service to the Group during the reporting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid.

Termination benefit
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

<u>Borrowing Costs</u>
Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are capitalized if they are directly attributable to the acquisition, production or construction of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. Borrowing costs not qualified for capitalization are expensed as incurred.

<u>Income Taxes</u>
Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax for the current and prior period, shall, to the extent unpaid, be recognized as a liability and is presented as "Income tax payable" in the consolidated balance sheet. If the amount already paid, including the cumulative creditable withholding taxes, in respect of the current and prior period exceeds the amount due for those periods, the excess shall be recognized as an asset under "Other current assets" in the consolidated balance sheet.

Deferred income tax
Deferred income tax assets and liabilities are provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT and unused NOLCO can be utilized. Deferred income tax however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred income tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interest in joint ventures. With respect to investments in other subsidiaries, associates and interests in joint ventures, deferred income tax liabilities are recognized except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax assets to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and those directly in comprehensive income are recognized in the consolidated statement of comprehensive income. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessment of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provisions due to the passage of time is recognized as an interest expense. The information usually required by PAS 37 is not disclosed as it may prejudice the Group’s negotiation with the third party.

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

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued and outstanding.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to the “Additional paid-in capital” account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Retained Earnings
Retained earnings consist of appropriated and unappropriated balances. Appropriated retained earnings are restricted for specific purposes and/or are not available for dividend declaration. Unappropriated retained earnings are not restricted and include the cumulative balance of net income or loss, any dividend distributions, prior period adjustments and effects of any change in accounting policy.

Dividend distributions
Cash dividends on common shares are recognized as liability and deducted from retained earnings upon declaration by the BOD.

Stock dividends on common shares are measured based on the total par value of declared stock dividend. Stock dividends are deducted from retained earnings when the BOD's declaration is ratified by the stockholders of the Parent Company. Unissued stock dividends are recorded as stock dividends distributable and credited to capital stock upon issuance.

Dividends for the year that are declared after the end of the reporting period but before the approval for issuance of the consolidated financial statements are dealt with as an event after the reporting period.

Treasury Shares
Own equity instruments, which are reacquired, are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and consideration, if reissued, is recognized in "Additional paid-in capital" account.

Earnings (Loss) Per Share
Basic earnings (loss) per share is computed by dividing net income (loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of shares outstanding during the year.

Diluted earnings (loss) per share is calculated by dividing the net income (loss) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued upon conversion of all dilutive potential ordinary shares. The effect of stock dividends, if any, is accounted for retrospectively. The Company has no potentially dilutive shares as of December 31, 2022 and 2021.

Events After the Reporting Period
Post-year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events), if any, are reflected in the consolidated financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

Segment Information
The Group's operating businesses are organized and managed separately according to the nature of the aviation-support service provided by its four subsidiaries, maintenance, repairs and overhaul, mining-related activities and water treatment and distribution. This is the basis on which the Group reports its primary segment information. The Group also monitors the revenue and operating results of its associates. Information with respect to these subsidiaries, as well as the Group's associates, are disclosed in Notes 4 and 9. The Company, including its subsidiaries, operate and derive all its revenue from domestic operation. All associates except JASCO, which is operating in Japan, derive all its revenue from domestic operation.

3. **Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the consolidated financial statements in accordance with PFRSs requires the Group to exercise judgments, make estimates and use assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

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

Determination of the Group's functional currency
Judgment is exercised in assessing various factors in determining the functional currency of each entity within the Group. These include the prices of goods and services, competition, cost and expenses, and other factors including the currency in which financing is primarily undertaken.

The Group, based on the relevant economic substance of the underlying circumstances, has determined its functional currency to be Peso. It is the currency of the primary economic environment in which the Group operates. The functional currencies of LTP and JASCO, the Group's associated companies (see Notes 2 and 9), has been determined to be US$ and JPY, respectively.

Revenue from contracts with customers
The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Determination of the timing of satisfaction of performance obligation*
  In- flight and other catering, ground handling and aviation, and water services
  The Group assessed that performance obligation for inflight and other catering, except for dry store and beverage, ground handling and aviation and water services are rendered to the customers over time. As a result, the Group's revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment.

  Sale of dry store and beverage
  The Group assessed that performance obligation for sale of dry store and beverage are satisfied at a point in time. The Group uses its judgment on when a customer obtains control of the promised goods. The Group has assessed that the actual delivery of the goods to the customer is the point in time when the performance obligation has been satisfied.

- *Allocation of total transaction price between construction and operation and maintenance of STP*
  Management determined that the contractually agreed price for construction of STP does not depict the amount the Group expects to receive for the performance obligation as the costs of STP are also expected to be recovered through the fees from operation and maintenance. Accordingly, the Group determined that the total transaction price of construction and operation and maintenance (i.e., the performance obligations) of STP needs to be allocated. This required the estimation of each of the performance obligation's stand-alone selling prices based on expected value method. The Group

estimates consideration from the construction of STP based on expected gross margin. On the other hand, the Group estimates the variable consideration from operation and maintenance of STP based on the historical patterns of water consumption and room capacity of the Group's customers.

The revenue recognized for the construction and the operation and maintenance of STP amounted to nil and ₱12.2 million in 2022, nil and ₱3.3 million in 2021, and nil and ₱8.5 million in 2020.

- *Recognition of contract asset*
  The Group incurs certain costs in relation to the services provided to its major customer. Based on management's assessment, these costs are incremental cost in obtaining a contract. Accordingly, the Group recognizes contract asset which are amortized as expense throughout the contract period, which includes the renewal period as management believes that the contract with the major customer will be renewed considering that the Group is providing one of the required services in the operations of its major customer.

  As of December 31, 2022 and 2021, the Group's contract assets amounted to ₱80.3 million and ₱94.5 million (see Notes 6, 15 and 19). This includes incremental cost incurred to obtain a contract amounting to ₱64.0 million and ₱78.2 million as of December 31, 2022 and 2021, respectively.

Assessment of control or significant influence over the investee
The Group makes an assessment whether or not it controls an investee by considering all relevant facts and circumstances which indicate that the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A reassessment is made if circumstances indicate that there are changes in these control elements. The Group has significant influence over an investee if it only has the power to participate in the financial and operating policy decisions, but not control or jointly control over the investee. As of December 31, 2022 and 2021, the Group still determined that it controls its subsidiaries and has significant influence over its associates (see Notes 9 and 10).

Assessment of operators under Philippine Interpretation IFRIC 12
Management has assessed that memoranda of agreement with the Municipality of Solano, Nueva Vizcaya (Solano) to provide water distribution facilities and with the Municipality of Naic Cavite (Naic) to develop and operate water supply and distributions system are covered by the Philippine Interpretation IFRIC 12. The memoranda of agreement qualify under the intangible asset model with respect to the operation of the waterwork facilities as the Group has the right (license) to charge users of public service (see Note 13).

Classification of leases - the Group as a lessor
The Group has entered into short-term leases, which provide no transfer of ownership to the lessee. The Group has determined that, based on an evaluation of the terms and conditions of the arrangements, it retains all the significant risks and rewards of ownership of these equipment and accounts for these as operating leases.

Determining the lease term of contracts with renewal and termination options - the Group as a lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group included the renewal period as part of the lease term for leases which are renewable at the option of the lessee. The Group typically exercises its option to renew for these leases because of significant permanent improvement introduced in the leased premises. The renewal periods for leases are not included as part of the lease term if option to renew is at lessor's discretion or leases which renewal depends on mutual consent of contracting parties as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 28 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Contingencies
The Group, in its normal course of business, is involved in various legal cases and claims. Based on management's assessment, the Group will be able to defend its position on these cases and that the ultimate outcome will not have a significant impact on the Group's consolidated financial statements. Accordingly, no provision has been recognized for these contingencies. LTP, the most significant associate of the Group also assesses the need to recognize the provisions based on the status of the claims (see Note 9).

Estimates and Assumptions
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of the Group's assets and liabilities follow.

Determination of fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair values is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these assumptions about these factors could affect the reported fair value of financial instruments (see Note 32).

Leases - estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no

observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liabilities amounted to ₱2,111.2 million and ₱2,152.7 million as of December 31, 2022 and 2021, respectively (see Note 28).

Provision for expected credit losses
The Group uses a provision matrix to calculate ECLs for financial assets at amortized cost. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The assessment of the correlation between observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The Group has a segmentation of its credit risk exposures based on homogeneity of credit risk characteristics and credit risk management policies to identify defaulting customers using observable inputs such as historical loss rates, recoveries and write-offs. The Group has also applied forward-looking information for its overlay through statistical test and corroboration using publicly available information.

The Group's receivables and contract assets, net of allowance for the expected credit losses of ₱9.3 million and ₱63.4 million, amounted to ₱1,908.9 million and ₱1,369.1 million as of December 31, 2022 and 2021, respectively (see Note 6).

Determination of NRV of inventories
The Group estimates the NRV of inventories based on the most reliable evidence available at the time the estimates are made. These estimates consider the fluctuations of prices or costs directly relating to events occurring after the reporting date to the extent that such events affect the value of inventories. Other factors include the age of the inventories and the Company's experience on write-off and expirations.

The Group did not identify any factors which indicate inventory obsolescence based on the above discussions. Accordingly, no provision was recognized in 2022 and 2021.

The Group's inventories carried at cost as of December 31, 2022 and 2021 amounted to ₱139.3 million and ₱102.3 million, respectively (see Note 7).

Estimating allowances for probable losses on input taxes and TCCs
The Group estimates the level of provision for probable losses on input taxes and TCCs based on the experience of the Group and assessment of counsels assisting the Group in processing the claims and negotiating the realization of TCCs. As of December 31, 2022 and 2021, the carrying value of input taxes and TCCs amounted to ₱423.0 million and ₱367.8 million, respectively. Allowance for probable losses amounted to ₱12.5 million and ₱9.6 million, respectively (see Note 8).

Estimation of useful lives of property, plant and equipment
The Group estimates the useful lives of property, plant and equipment based on the internal technical evaluation and experience with similar assets. In cases where the use of property, plant and equipment is dependent on the grant of certain permits to conduct its business, management considers the probability of renewal of such permits based on past experience. In this situation, useful lives of property, plant and equipment are based on the economic useful lives rather than the currently effective period of the permits. Estimated useful lives are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of the assets. A reduction in the estimated useful lives of property and equipment, would increase depreciation and amortization expense and decrease noncurrent assets.

In 2021, the Company reassessed the remaining useful lives of its property and equipment. The effect of the change in estimate is recognized prospectively beginning January 1, 2021. Accordingly, the Group's depreciation and amortization expense in 2021 decreased by ₱5.0 million. The related depreciation and amortization expense for each of the remaining years of the said property and equipment is expected to be similarly affected by this change in accounting estimate. There was no change in the estimated useful lives of the Group's property, plant and equipment in 2022 and 2020.

The carrying value of property, plant and equipment subject to depreciation as of December 31, 2022 and 2021 amounted to ₱1,778.3 million and ₱1,892.6 million, respectively (see Note 11).

Estimation of useful life of service concession right
At the start of operation of the water work facilities, the service concession right is to be amortized over the concession period as provided in the agreements with relevant government units. The amortization period is reviewed when there are changes in the expected term of the contract or the expected pattern of consumption of future economic benefits embodied in the asset.

Amortization for the service concession right amounted to ₱21.9 million, ₱21.0 million and ₱20.3 million in 2022, 2021 and 2020, respectively. The carrying value of the service concession right amounted to ₱415.6 million and ₱418.8 million as of December 31, 2022 and 2021, respectively (see Note 13).

Estimation of useful life of intangible assets acquired as part of business combination
The assigned useful lives of intangible assets acquired as part of business combination are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on collective assessment of similar businesses, internal evaluation and experience with similar assets. Further, management considers the probability of renewal of certain permits and the cost and efforts in renewing such permits based on past experience. The useful life of each asset is reviewed at each financial year and updated if expectations differ from previous estimates due to technical or commercial obsolescence and legal or other limits on the use of the asset. There were no changes in the estimated useful lives of customer contract and relationships, while right to use asset is assessed to have indefinite useful life due to minimal efforts required to renew certain permits to extract and distribute water in relevant provinces based on past experience.

The total carrying value of the customer contract and relationships, and the right-to-use of water permits amounted to ₱168.7 million and ₱164.2 million as of December 31, 2022 and 2021, respectively (see Note 13).

Determination of impairment indicators and impairment testing of nonfinancial assets

A. Nonfinancial assets other than goodwill and intangible assets with indefinite life

The Group assesses at each reporting date whether there is any indication that its nonfinancial assets other than goodwill and intangible assets with indefinite life (i.e., investments in associates, property, plant and equipment, right-of-use assets, investment property, service concession right, intangible assets, deferred project costs, deferred mine exploration costs) may be impaired. The factors that the Group considers important which could trigger an impairment review included the following, among others:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the overall business strategy; and,
- significant negative industry or economic trends.

If such indication exists, the Group performs impairment testing to estimate the recoverable amount of the related asset.

The carrying values of the nonfinancial assets are as follows:

	2022	2021
Investments in associates (Note 9)	**₱2,450,890,710**	₱1,850,408,800
Property, plant and equipment (Note 11)	**2,222,562,943**	2,352,762,320
Right-of-use assets (Note 28)	**847,686,820**	890,917,351
Investment property (Note 12)	**143,852,303**	143,852,303
Service concession right (Note 13)	**415,627,486**	418,804,041
Customer contract and relationships (Note 13)	**51,475,042**	54,865,447
Deferred project costs (Note 15)	**42,783,267**	42,783,267
Deferred mine exploration costs (Notes 14 and 15)	**238,513,440**	237,489,872

Investment in associates, property, plant and equipment, right-of-use assets

In 2022 and 2021, although the Group has started to recover from the impact of COVID-19, the aviation and tourism-related operations of the Group are operating below pre-pandemic levels.

For purposes of impairment testing of investment in associates, property, plant and equipment and right-of-use assets, recoverable amount has been determined based on the value-in-use calculations using cash flow projections. The projected cash flows were based on expectations on future outcomes, such as anticipated revenue growth and forecasted volume of flights serviced and meals ordered which are impacted by the COVID-19 pandemic, annual water consumption and operating expenses , taking into account past experiences. The discount rate is a pre-tax measure based on the weighted average cost of capital of listed entities with similar assets or similar in terms of potential risk. The discount rates used ranged from 8.7% to 11% and 13% to 20% in 2022 and 2021, respectively.

Refer to Notes 9, 11 and 28 on the discussions of assumptions which are most sensitive to impact the calculated value-in-use. Based on the impairment test, the recoverable amount of the investment in associates, property, plant and equipment and right-of-use assets exceeds their carrying values. Management believes that any reasonable possible change in any of the assumptions used would not cause the carrying values to exceed their respective recoverable amount.

Service concession right
In 2022 and 2021, SNVRDC's operating income and cash flows are lower than the expected level and has been operating at a loss since the start of its commercial operation These are indicators that the service concession right may be impaired.

For the purpose of impairment testing of SNVRDC's service concession right, recoverable amount is determined based on the value-in-use using cash flow projections based on financial budgets as approved by management covering 17 years of projections, coterminous to the term of the concession agreement with the Municipality of Solano. The projected cash flows are based on expectations of future outcomes considering past experience, adjusted for anticipated revenue growth based on management's future plans. The discount rate is a pre-tax measure based on the weighted average cost of capital (WACC) of listed entities with similar assets or similar in terms of potential risk. The pre-tax discount rate used is 8.7% and 11.8% in 2022 and 2021, respectively.

Refer to Note 13 on the discussions of assumptions which are most sensitive to impact the calculated value-in-use. Based on the impairment test, the recoverable amount of the service concession right exceeds its carrying value. Management believes that any reasonable possible change in any of the assumptions used would not cause the carrying value to exceed its recoverable amount.

The carrying value of the service concession right subjected to impairment testing amounted to ₱230.5 million and ₱243.2 million as of December 31, 2022 and 2021, respectively (see Note 13).

Deferred Mine Exploration Costs
The recovery of deferred mine exploration costs depends upon the success of exploration activities and future development of the mining properties, as well as the discovery of recoverable reserves in quantities that can be commercially produced. In prior years, and although the Group's nickel mine is a reactivation of an existing mine that was operational in the 1970s, the Group recognized impairment loss amounting to ₱217.1 million due to the issuance of DENR Administrative Order No. 2017-10 which puts a temporary ban on new projects for open-pit method of mining for ores. In the Group's MPSAs for its Infanta Nickel Project has been affirmed as valid and subsisting by DENR-MGB, and with the recent issuance of E.O. 130 lifting the nine-year moratorium on granting new mining permits in the Philippines, hence, the Company reversed the previously recognized impairment loss amounting to ₱217.1 million in 2021. Management believes that the amount of deferred mine exploration cost is recoverable based on the estimation of value-in-use.

The carrying value of deferred mine exploration cost amounted to ₱238.5 million and ₱237.5 million million as of December 31, 2022 and 2021, respectively (see Notes 14 and 15).

B. *Goodwill and intangible assets with indefinite life*
For goodwill and intangible assets with indefinite useful life, the Group performs impairment testing at least on an annual basis or more frequently, if events or changes in circumstances indicate that these may be impaired. For the purpose of impairment testing, goodwill has been allocated to BTSI group, NAWASCOR, SWRI and MACS in 2022 and 2021 as the cash generating units.

The recoverable amounts of the cash-generating units have been determined based on a value-in-use calculation using cash flow projections based on financial budgets as approved by management covering five years of projections. The projected cash flows are based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth based on management's future plans. Cash flows beyond the forecast period are extrapolated into perpetuity assuming four percent (4%) growth rate for impairment test purposes. The discount rate is a pre-tax measure based on the WACC of listed entities with similar assets or similar in terms of potential risk. The pre-tax discount rate used ranged from 8.7% to 11% in 2022 and 12.7% to 13.0% in 2021.

The carrying value of goodwill subjected to impairment testing amounted to ₱127.8 million as of December 31, 2022 and 2021 (see Note 13).

For the right to use of water permits, the recoverable amount is determined based on fair value less cost to sell calculations determined by discounting notional royalty savings after tax. These calculations use net sales projections and the related royalty savings based on a five-year projection. Net sales beyond the forecast period are extrapolated into perpetuity assuming four percent (4%) growth rate for impairment test purposes. Management considered the impact of cost to sell in the calculations of fair value less cost to sell as negligible. The royalty rate is the average of royalty rates for water distribution entities, while the discount rate was a pre-tax measure based on the WACC of listed entities with similar assets or similar in terms of potential risk. The royalty rate applied is 1.6% for both years while pre-tax discount rates used range were 8.7% and 10.7% in 2022 and 2021, respectively.

The carrying value of right-to-use of water permits amounted to ₱117.3 million and ₱109.3 million as of December 31, 2022 and 2021, respectively (see Note 13).

Management believes that no reasonably possible change in any of the assumptions used would cause the carrying values of the goodwill and right-to-use of water permits to exceed their recoverable amounts. Based on management's assessment, the recoverable amounts of these assets are higher than their carrying values, thus no impairment loss was recognized in 2022, 2021 and 2020.

Estimation of retirement benefits costs and obligation, and accumulating leave credits
The cost of defined benefit pension plans, as well as the present value of the pension obligation is, determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All significant assumptions are reviewed at each reporting date. The calculation of accumulating leave credits follows the same assumptions as the defined benefit costs.

In determining the appropriate discount rate, management considers the interest rates of government bonds, adjusted to zero coupon rates, with term consistent with the obligation of the plan.

Accrued retirement and other employee benefits payable amounted to ₱125.6 million and ₱121.6 million as of December 31, 2022 and 2021, respectively (see Note 21). Pension asset amounted to ₱7.7 million and ₱21.0 million as of December 31, 2022 and 2021, respectively, and is included under "Other noncurrent assets" account (see Note 15). Retirement benefits cost amounted to ₱27.0 million, ₱31.3 million and ₱68.2 million in 2022, 2021 and 2020, respectively (see Note 21).

Recognition of deferred income tax assets
The Group reviews the carrying amounts of deferred income tax assets (gross of deferred income tax liabilities) at each reporting date and adjusts the balance of deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. The determination of future taxable income, which will establish the amount of deferred income tax assets that can be recognized, requires the estimation and use of assumptions about the Group's future income and timing of reversal of temporary differences, unused NOLCO and excess MCIT over RCIT.

Gross deferred income tax assets recognized, which relate primarily to operating subsidiaries, amounted to ₱188.4 million and ₱183.2 million as of December 31, 2022 and 2021, respectively. The Group also has unrecognized deferred income taxes primarily on the non-operating subsidiaries' temporary differences, NOLCO and MCIT (see Note 25).

4. Segment Information

The Group's operating businesses are organized and managed separately according to the nature of the aviation-support services provided by the four subsidiaries, mining-related activities and water-related projects, which is the basis on which the Group reports its primary segment information. The Group also monitors its share in the results of operations of its associates (LTP, CPCS and JASCO) that are accounted for using the equity method.

The operations of the Group's segments are described as follows:

- In-flight and other catering segment, which is operated by MACS and through the Company's interest in CPCS, refers to servicing of meal requirements of certain foreign and domestic passenger airlines, as well as certain passenger terminal lounges at the NAIA and the MDA, and of certain non-airline institutional accounts.

- Ground handling and aviation segment, which is operated by MASCORP and MAATS, refers to both ramp and passenger handling and aviation services to foreign airlines and domestic carriers at NAIA, MCIA, KIA, Davao International Airport, Tuguegarao Airport and Clark International Airport. In 2019, the Company acquired 30% ownership in JASCO, a ground handling and aviation service company operating in Japan (see Note 9).

- Maintenance, repairs and overhaul (MRO), which is operated through the Company's interest in LTP, pertains to rendering of MRO services of Airbus and Boeing aircraft for certain airlines.

- Administrative segment, which is primarily operated through MAPDC, refers to the sub-lease of the MacroAsia Ecozone at NAIA (see Note 28), which MAPDC leases from Manila International Airport Authority (MIAA) with LTP as the anchor locator (see Note 18).

- Charter flights segment, was operated by MAATS up to 2016, refers to international and domestic chartered flights from its base at the General Aviation Area, MDA to any point within the Philippines, through alliances with other helicopter owners.

- Water treatment and distribution segment, which is operated through SNVRDC, BTSI, NAWASCOR and SWRI. The Group has on-going water related projects which pertain to the development (e.g., studies, surveys) and construction of water-treatment facilities activities, which are undertaken by MAPDC and its other subsidiaries. The Group, through BTSI, is also engaged in the construction, operation and maintenance of sewage treatment facilities.

- Mining segment, which is operated through MMC, refers to mining-related activities of the Group. This segment refers to revenues and expenditures for exploration activities and rendering of exploration-related services.

The Group has only one geographic segment. Of the Group's total revenue, ₱2,754.0 million (or 56%), ₱1,055.1 million (or 54%) and ₱1,209.1 million (or 54%) in 2022, 2021 and 2020, respectively, were derived from two customers which are entities under common control.

Segment assets include the operating assets used by a segment and consist principally of cash and cash equivalents, receivables, inventories, other current assets, and property, plant and equipment, net investment in the lease, and right-of-use assets, net of allowances, depreciation and amortization and any impairment in value. Segment liabilities include all operating liabilities and consist principally of notes payable, accounts payable and accrued liabilities and lease liabilities. Segment assets and liabilities do not include deferred income tax. Segment results pertain to operating income.

Financial information on the Group's business segments as of and for the years ended December 31 are presented below. The amounts disclosed were determined consistent with the measurement basis under PFRSs.

For the year ended December 31, 2022:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Administrative	Water Treatment and Distribution	Mining	Eliminations, Adjustments and Others	Total
Segment revenue	**₱2,288,520,288**	**₱2,049,535,189**	**₱–**	**₱30,443,040**	**₱515,009,510**	**₱–**	**₱–**	**₱4,883,508,027**
Direct costs	**(1,735,536,609)**	**(1,851,277,355)**	**–**	**(52,602,359)**	**(330,109,113)**	**(231,878)**	**–**	**(3,969,757,314)**
Gross profit (loss)	**552,983,679**	**198,257,834**	**–**	**(22,159,319)**	**184,900,397**	**(231,878)**	**–**	**913,750,713**
Share in net earnings (losses) of associates	**(5,243,171)**	**(35,854,919)**	**499,805,903**	**–**	**–**	**–**	**12,140,093**	**470,847,906**
	547,740,508	**162,402,915**	**499,805,903**	**(22,159,319)**	**184,900,397**	**(231,878)**	**12,140,093**	**1,384,598,619**
Operating expenses	**(428,861,010)**	**(178,932,362)**	**–**	**(23,752,583)**	**(119,076,067)**	**(9,105,485)**	**(33,561,151)**	**(793,288,658)**
Interest income	**63,709**	**212,413**	**–**	**2,375,273**	**559,493**	**11,342**	**680,033**	**3,902,263**
Financing charges	**(35,682,655)**	**(17,434,687)**	**–**	**(34,458,173)**	**(47,926,107)**	**(316,513)**	**(13,136,650)**	**(148,954,785)**
Foreign exchange gain (loss) - net	**(3,877,266)**	**(8,746,025)**	**–**	**–**	**(6,781)**	**1,567**	**14,160,275**	**1,531,770**
Other income (charges) - net	**1,424,908**	**55,999,691**	**–**	**1,127,203**	**20,228,369**	**698,032**	**26,990,892**	**106,469,095**
Income (loss) before income tax	**80,808,194**	**13,501,945**	**499,805,903**	**(76,867,599)**	**38,679,304**	**(8,942,935)**	**7,273,492**	**554,258,304**
Provision for (benefit from) income tax	**(40,858,773)**	**(34,292,867)**	**–**	**(267,973)**	**(18,943,888)**	**(2,268)**	**1,541,540**	**(92,824,229)**
Segment profit (loss)	**₱39,949,421**	**(₱20,790,922)**	**₱499,805,903**	**(₱77,135,572)**	**₱19,735,416**	**(₱8,945,203)**	**₱8,815,032**	**₱461,434,075**
Depreciation and amortization expense	**₱78,433,866**	**₱107,610,516**	**₱–**	**₱23,543,075**	**₱94,340,339**	**₱1,855,424**	**₱38,326,360**	**₱344,109,580**
Segment profit (loss) attributable to:								
Equity holders of the Company	**27,725,884**	**2,789,724**	**499,805,903**	**(77,153,939)**	**21,163,886**	**(8,945,203)**	**(19,301,996)**	**446,084,259**
Non-controlling interests	**16,238,490**	**(10,668,267)**	**–**	**–**	**10,238,754**	**–**	**(459,161)**	**15,349,816**

Other financial information of the operating segments as of December 31, 2022 is as follows:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Administrative	Water Treatment and Distribution	Mining	Eliminations, Adjustments and Others	Total
Assets:								
Current assets	**₱1,373,911,410**	**₱1,343,256,292**	**₱–**	**₱388,263,704**	**₱482,755,806**	**₱19,007,274**	**(₱549,671,193)**	**₱3,057,523,293**
Noncurrent assets	**1,013,315,206**	**695,688,413**	**–**	**2,602,669,559**	**1,880,532,981**	**225,115,471**	**2,029,848,945**	**8,447,170,575**
	₱2,387,226,616	**₱2,038,944,705**	**₱–**	**₱2,990,933,263**	**₱2,363,288,787**	**₱244,122,745**	**₱1,480,177,752**	**₱11,504,693,868**
Liabilities:								
Current liabilities	**₱1,702,760,406**	**₱1,716,977,889**	**₱–**	**₱1,088,603,680**	**₱1,124,600,731**	**₱15,707,162**	**(₱3,007,181,961)**	**₱2,641,467,907**
Noncurrent liabilities	**316,972,988**	**218,336,756**	**–**	**1,638,476,847**	**947,078,577**	**25,044,919**	**48,708,105**	**3,194,618,192**
	₱2,019,733,394	**₱1,935,314,645**	**₱–**	**₱2,727,080,527**	**₱2,071,679,308**	**₱40,752,081**	**(₱2,958,473,856)**	**₱5,836,086,099**
Equity attributable to:								
Equity holders of the Company	**₱504,676,516**	**₱206,485,367**	**₱–**	**₱263,852,736**	**₱123,871,339**	**₱203,370,665**	**₱4,251,893,847**	**₱5,554,150,470**
Non-controlling interests	**(137,183,294)**	**(102,855,307)**	**–**	**–**	**167,738,140**	**–**	**186,757,760**	**114,457,299**
Investments in associates	**8,852,673**	**744,965,632**	**1,649,303,188**	**–**	**47,769,217**	**–**	**–**	**2,450,890,710**
Additions to noncurrent assets -								
Property, plant and equipment	**18,751,666**	**19,274,373**	**–**	**(7,139,049)**	**84,480,243**	**5,714**	**20,863,573**	**136,236,520**

For the year ended December 31, 2021:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Administrative	Water Treatment and Distribution	Mining	Eliminations, Adjustments and Others	Total
Segment revenue	₱606,387,181	₱1,050,394,788	₱–	₱42,221,197	₱279,464,881	₱–	(₱29,603,392)	₱1,948,864,655
Direct costs	(597,352,930)	(1,129,012,865)	–	(42,190,376)	(214,037,521)	(1,859,520)	(7,654,147)	(1,992,107,359)
Gross profit (loss)	9,034,251	(78,618,077)	–	30,821	65,427,360	(1,859,520)	(37,257,539)	(43,242,704)
Share in net earnings (losses) of associates	(5,696,254)	(42,954,717)	350,587,031	–	–	–	15,892,438	317,828,498
	3,337,997	(121,572,794)	350,587,031	30,821	65,427,360	(1,859,520)	(21,365,101)	274,585,794
Operating expenses	(240,339,316)	(114,979,202)	–	(28,468,841)	(94,766,108)	(5,866,300)	16,827,274	(467,592,493)
Interest income	396,140	103,089	–	91,315	598,890	19,970	1,577,278	2,786,682
Financing charges	(41,870,221)	(33,687,675)	–	(29,690,149)	(33,633,086)	–	(20,828,562)	(159,709,693)
Foreign exchange gain (loss) - net	6,608,585	(7,851,627)	–	26,557	3,679	–	22,751,723	21,538,917
Other income (charges) - net	1,326,953	2,439,224	–	1,004,411	19,661,052	–	61,169,218	85,600,858
Income (loss) before income tax	(270,539,862)	(275,548,985)	350,587,031	(57,005,886)	(42,708,213)	(7,705,850)	60,131,830	(242,789,935)
Provision for (benefit from) income tax	(5,763,904)	101,070,233	–	(503,721)	(5,393,357)	(3,993)	2,459,690	91,864,948
Segment profit (loss)	(₱276,303,766)	(₱174,478,752)	₱350,587,031	(₱57,509,607)	(₱48,101,570)	(₱7,709,843)	₱62,591,520	(₱150,924,987)
Depreciation and amortization expense	₱84,938,310	₱115,541,351	₱–	₱28,943,190	₱77,921,769	₱1,000,259	₱30,441,935	₱338,786,814
Segment profit (loss) attributable to:								
Equity holders of the Company	(187,003,287)	(131,176,614)	350,587,031	(57,509,608)	(32,419,740)	(7,709,843)	63,069,816	(2,162,245)
Non-controlling interests	(89,300,479)	(43,302,138)	–	–	(15,681,831)	–	(478,293)	(148,762,742)

Other financial information of the operating segments as of December 31, 2021 is as follows:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Administrative	Water Treatment and Distribution	Mining	Eliminations, Adjustments and Others	Total
Assets:								
Current assets	₱926,353,214	₱1,068,438,013	₱–	₱412,441,572	₱404,827,440	₱15,178,457	(₱422,626,698)	₱2,404,611,998
Noncurrent assets	1,086,567,717	815,409,735	–	2,640,626,579	1,861,308,965	6,003,400	1,655,559,039	8,065,475,435
	₱2,012,920,931	₱1,883,847,748	₱–	₱3,053,068,151	₱2,266,136,405	₱21,181,857	₱1,232,932,341	₱10,470,087,433
Liabilities:								
Current liabilities	₱1,243,906,781	₱1,475,063,372	₱–	₱1,260,566,346	₱973,350,915	₱23,261,998	(₱2,801,654,244)	₱2,174,495,168
Noncurrent liabilities	430,986,471	315,943,723	–	1,653,468,339	838,664,778	10,038,226	108,502,792	3,357,604,329
	₱1,674,893,252	₱1,791,007,095	₱–	₱2,914,034,685	₱1,812,015,693	₱33,300,224	(₱2,693,151,452)	₱5,532,099,497
Equity attributable to:								
Equity holders of the Company	₱494,323,135	₱184,358,009	₱–	₱139,033,465	₱337,714,461	(₱12,118,367)	₱3,698,866,872	₱4,842,177,575
Non-controlling interests	(156,295,455)	(91,517,356)	–	–	156,406,250	–	187,216,922	95,810,361
Investments in associates	14,095,845	780,384,451	1,008,159,254	–	47,769,250	–	–	1,850,408,800
Additions to noncurrent assets -								
Property, plant and equipment	16,736,036	101,431,139	–	6,746,889	36,443,270	–	33,759,922	195,117,256

For the year ended December 31, 2020:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Administrative	Water Treatment and Distribution	Mining	Eliminations, Adjustments and Others	Total
Segment revenue	₱950,879,262	₱1,057,628,803	₱–	₱23,470,384	₱226,126,526	₱4,156,179	(₱4,697,382)	₱2,257,563,772
Direct costs	(907,828,375)	(1,236,058,342)	–	(41,149,796)	(175,123,923)	(5,713,779)	1,273,100	(2,364,601,115)
Gross profit (loss)	43,050,887	(178,429,539)	–	(17,679,412)	51,002,603	(1,557,600)	(3,424,282)	(107,037,343)
Share in net earnings (losses) of associates	(10,420,639)	(30,433,105)	(616,326,821)	–	–	–	17,372,820	(639,807,745)
	32,630,248	(208,862,644)	(616,326,821)	(17,679,412)	51,002,603	(1,557,600)	13,948,538	(746,845,088)
Operating expenses	(361,940,227)	(177,586,694)	–	(49,226,601)	(77,292,942)	(11,881,731)	(253,729,107)	(931,657,302)
Interest income	648,035	157,291	–	27,841	2,917,201	31,185	5,766,416	9,547,969
Financing charges	(42,036,847)	(16,284,155)	–	(20,882,124)	(24,276,343)	(17,413)	(29,027,608)	(132,524,490)
Foreign exchange gain (loss) - net	12,880,054	(6,294,104)	–	33,540	5,638	–	(66,663,433)	(60,038,305)
Other income (charges) net	(20,568,132)	18,392,030	–	971,738	26,516,940	(10,000)	26,704,195	52,006,771
Income (loss) before income tax	(378,386,869)	(390,478,276)	(616,326,821)	(86,755,018)	(21,126,903)	(13,435,559)	(303,000,999)	(1,809,510,445)
Provision for income tax	(4,412,536)	(10,765,249)	–	4,764	5,583,871	6,237	281,751	(9,301,162)
Segment profit (loss)	(₱373,974,333)	(₱379,713,027)	(₱616,326,821)	(₱86,759,782)	(₱26,710,774)	(₱13,441,796)	(₱303,282,750)	(₱1,800,209,283)
Depreciation and amortization expense	₱89,966,615	₱94,565,288	₱–	₱24,406,018	₱60,380,966	₱3,293,656	₱41,270,613	₱313,883,156
Segment profit (loss) attributable to:								
Equity holders of the Company	(254,001,614)	(296,922,365)	(616,326,821)	(86,759,782)	(16,541,622)	(13,441,796)	(303,314,157)	(1,587,308,157)
Non-controlling interests	(119,972,719)	(82,790,662)	–	–	(10,169,152)	–	31,407	(212,901,126)

Other financial information of the operating segments as of December 31, 2020 is as follows:

	Inflight and Other Catering	Ground Handling and Aviation	Maintenance, Repairs and Overhaul	Administrative	Water Treatment and Distribution	Mining	Eliminations, Adjustments and Others	Total
Assets:								
Current assets	₱1,005,024,935	₱1,184,137,847	₱–	₱610,923,099	₱363,729,762	₱14,836,177	₱271,185,167	₱3,449,836,987
Noncurrent assets	1,217,564,403	667,799,615	–	2,579,789,260	1,404,897,879	6,989,873	1,062,750,229	6,939,791,259
	₱2,222,589,338	₱1,851,937,462	₱–	₱3,190,712,359	₱1,768,627,641	₱21,826,050	₱1,333,935,396	₱10,389,628,246
Liabilities:								
Current liabilities	₱1,063,736,879	₱1,414,971,301	₱–	₱1,331,234,319	₱1,055,216,699	₱25,184,712	(₱2,164,297,578)	₱2,591,558,767
Noncurrent liabilities	642,147,342	284,738,086	–	1,666,116,232	366,063,110	2,001,103	(40,024,742)	3,055,528,696
	₱1,705,884,221	₱1,699,709,387	₱–	₱2,997,350,551	₱1,421,279,809	₱27,185,815	(₱2,204,322,320)	₱5,647,087,463
Equity attributable to:								
Equity holders of the Company	₱613,948,599	₱218,679,264	₱–	₱193,361,808	₱203,679,829	(₱5,359,765)	₱3,350,562,502	₱4,574,872,237
Non-controlling interests	(97,243,482)	(66,451,189)	–	–	143,668,003	–	187,695,214	167,668,546
Investments in associates	19,792,119	824,162,315	473,679,679	–	47,769,226	–	–	1,365,403,339
Additions to noncurrent assets -								
Property, plant and equipment	26,157,840	13,420,492	–	2,905,611	82,746,221	1,928,055	1,747,666	128,905,885

5. Cash and Cash Equivalents

	2022	2021
Cash on hand and cash in banks (Note 18)	**₱361,104,509**	₱321,102,282
Short-term deposits (Note 18)	**106,914,224**	182,545,556
	₱468,018,733	₱503,647,838

Cash in banks earn interest at the respective bank deposits rates. Short-term deposits are made for varying periods of up to three months and earn interest at the respective short-term deposit rates. Interest income earned amounted to ₱1.6 million, ₱2.0 million and ₱7.2 million in 2022, 2021 and 2020, respectively (see Note 22).

6. Receivables and Contract Assets

	2022	2021
Receivables:		
Trade:		
Third parties	**₱897,538,994**	₱449,023,999
Related parties (Note 18)	**845,429,925**	828,121,745
Advances to officers and employees	**20,329,079**	14,705,570
Interest receivable	**4,061,901**	3,251,087
Other receivables	**147,670,825**	120,043,633
Contract assets - current portion	**3,135,481**	17,352,100
	1,918,166,205	1,432,498,134
Less allowance for ECL	**9,286,401**	63,445,608
	₱1,908,879,804	₱1,369,052,526

Trade receivables arise from the revenue-generating activities of the Group. These are non-interest bearing with normal credit terms ranging from 30 to 90 days.

Long-term receivables
Included under trade receivables are monthly installments due from customers from the construction of STPs. Payment terms from the said contracts are beyond one year; thus, contains significant financing component. Interest income earned from installment receivables amounted to nil, ₱0.7 million and ₱1.3 million in 2022, 2021 and 2020, respectively (see Note 22).

As of December 31, outstanding receivables pertaining to construction of STPs are as follows:

	2022	2021
Gross installment receivables	**₱20,595,874**	₱35,067,500
Less unearned interest	**69,902**	468,652
	20,525,972	34,598,848
Less current portion	**19,827,049**	19,565,370
Noncurrent portion (Note 15)	**₱698,923**	₱15,033,478

In relation to the construction of STPs, the Group allocates the total transaction price earned between the construction of STPs and the operation and maintenance services for the STPs. The allocated amounts for the operation and maintenance services are recognized as contract assets. These contracts assets are realized as receivables as the Group performs the operations and maintenance of STPs, which is the remaining performance obligation, over the contract period of about 10 years. Contract assets are presented based on the timing of realization. Current and noncurrent portion of contract assets amounted to ₱3.1 million and ₱77.1 million as of December 31, 2022, respectively, and ₱17.4 million and ₱77.1 million as of December 31, 2021, respectively (see Note 15).

Advances to officers and employees pertain to cash advances that are subject to liquidation.

Other receivables include amounts due from third party insurance company and certain government agencies (e.g., SSS) and employee loans which are payable through salary deductions.

Allowance for ECL pertains to trade receivables. The rollforward analyses of the allowance for ECL as of December 31, 2022 and 2021 are as follows:

	2022	2021
Beginning balance	**₱63,445,608**	₱91,421,827
Net reversals (Note 20)	**(54,159,207)**	(27,976,219)
Ending balance	**₱9,286,401**	₱63,445,608

7. **Inventories** - at cost

	2022	2021
Food and beverage	**₱70,342,129**	₱43,611,846
Materials and supplies	**69,003,514**	58,686,804
	₱139,345,643	₱102,298,650

Cost of inventories recognized as expense and included as part of "Food" and "Supplies" accounts under "Direct costs" amounted to ₱1,163.8 million, ₱285.0 million and ₱397.6 million in 2022, 2021 and 2020, respectively (see Note 20).

8. **Other Current Assets**

Other current assets consist of:

	2022	2021
Input taxes - net	**₱281,452,435**	₱232,501,354
Creditable withholding taxes	**202,860,744**	141,092,723
Prepayments	**24,110,538**	20,058,769
Supplies	**21,607,770**	24,907,204
Other current assets	**11,247,626**	11,052,934
	₱541,279,113	₱429,612,984

Input taxes

	2022	2021
Gross input tax	**₱435,465,208**	₱377,390,714
Less allowance for probable losses	**12,471,551**	9,630,480
	422,993,657	367,760,234
Less noncurrent portion (Note 15)	**141,541,222**	135,258,880
Current portion	**₱281,452,435**	₱232,501,354

Input taxes represent VAT paid on purchases of goods and services that can be recovered as tax refund/credit from the Bureau of Internal Revenue (BIR) or the Bureau of Customs. The Group also has input taxes arising from acquisition of property and equipment and other assets and those which are not expected to be utilized in the next 12 months. Provision for losses on input taxes amounted to ₱7.7 million, ₱5.1 million and ₱6.3 million in 2022, 2021 and 2020, respectively (see Note 20). In 2022, the Group received tax refund amounting to ₱19.6 million from 2020 Input VAT claim application totaling ₱30.2 million, ₱4.8 million of which was provided for losses. In 2021, the Group received tax refund amounting to ₱59.6 million from 2019 Input VAT claim application totaling ₱89.1 million, ₱8.7 million of which was provided for losses.

CWTs represent creditable tax certificates from customers which can be applied against any related income tax liability of a company in the Group to which the CWTs relate.

Others mainly consist of prepaid insurance, rent and utilities.

9. Investments in Associates

	Percentage of ownership interest	**2022**	2021
Acquisition costs:			
LTP	49	**₱935,759,560**	₱935,759,560
JASCO	30	**853,799,023**	853,799,023
CSWC	24*	**47,769,226**	47,769,226
CPCS	40	**5,000,000**	5,000,000
MacroAsia WLL	35**	**2,310,175**	2,310,175
		1,844,637,984	1,844,637,984
Accumulated equity in net earnings:			
Beginning of year		**164,781,896**	(153,046,602)
Share in net earnings for the year		**470,847,906**	317,828,498
Dividends received (Note 18)		**(114,686,188)**	–
End of year		**520,943,614**	164,781,896
Share in foreign currency translation adjustments:			
Beginning of year		**(39,097,838)**	(96,499,088)
Net foreign currency translation adjustments for the year		**132,775,412**	57,401,250
End of year		**93,677,574**	(39,097,838)
Share in re-measurement gains (losses) on defined benefit plans of associates:			
Beginning of year		**(119,666,727)**	(229,442,418)
Remeasurement gains on defined benefit plans for the year		**111,544,780**	109,775,691
End of year		**(8,121,947)**	(119,666,727)
Impairment allowance on investment in MacroAsia WLL		**(246,515)**	(246,515)
		₱2,450,890,710	₱1,850,408,800

**Effective ownership through SWRI*
***Effective ownership interest through MACS*

As of December 31, 2022 and 2021, the shares of stock of these associates companies are not traded in public and as such, have no publicly traded price quotation.

LTP

LTP is a joint venture between Lufthansa Technik AG (LHT), a corporation organized and existing under the laws of the Federal Republic of Germany and MAC, a corporation organized under the laws of the Republic of the Philippines. LTP was incorporated primarily to provide aircraft maintenance, aircraft overhaul, aircraft engine repair and overhaul and aircraft component repair and overhaul services in Manila, Cebu and other locations. LTP is also registered with the Philippine Economic Zone Authority (PEZA). The agreement provides for supermajority (i.e., two-thirds) vote of directors for the approval of the annual budget as well as other critical corporate acts of the agreement. The registered office address of LTP is LTP Technical Center, MacroAsia Ecozone, Villamor Airbase, Pasay City.

CPCS

CPCS is the Company's first in-flight catering venture, which started commercial operations in 1996. It is the only in-flight catering company at Mactan-Cebu International Airport and serves both domestic and international airlines. The registered office address of CPCS is 1st Ave. Extension, Block B6, MEZ I, Lapu-Lapu City.

JASCO

On November 5, 2019, MAC entered into a Share Purchase Agreement with Konoike Transport for the 7,200 ordinary shares or 30% ownership interest in Japan Airport Service Co., Ltd. (JASCO) for an aggregate amount of ₱853,799,023 (JPY 1,825,000,000). JASCO is a wholly-owned subsidiary of NKS Holding Co. Ltd., a Japanese company wholly-owned by Konoike Transport.

MacroAsia WLL

On June 5, 2012, MACS entered into a Shareholders' Agreement with individuals to establish MacroAsia WLL, a national institutional catering and laundry company in Doha, Qatar. As of December 31, 2022, MacroAsia WLL has not yet started its commercial operations.

As of December 31, 2022 and 2021, impairment allowance amounting to ₱0.2 million was recognized on the investment in MacroAsia WLL equivalent to its remaining carrying amount.

CWSC

CSWC is a joint venture between SWRI and another domestic corporation in the Philippines. CSWC has bulk water supply with the water district of Janiuay, Iloilo. The registered office address of CWSC is 9/F, 45 San Miguel, San Miguel Avenue, Ortigas Center, Pasig City.

Summarized financial information of LTP, CPCS and JASCO based on their financial statements as of and for the years ended December 31 is as follows:

	2022		
	LTP	**CPCS**	**JASCO**
Current assets	**₱5,874,807,009**	**₱29,608,621**	**₱115,309,981**
Noncurrent assets	**5,523,702,355**	**13,904,324**	**175,050,008**
Current liabilities	**(4,198,874,793)**	**(2,514,696)**	**(230,258,110)**
Noncurrent liabilities	**(3,492,976,707)**	**(18,866,567)**	**(212,667,169)**
Equity (capital deficiency)	**3,706,657,864***	**22,131,682**	**(152,565,290)**
Group's carrying amount of its investments	**₱1,649,303,188**	**₱8,852,673**	**₱744,965,632**

**Inclusive of cumulative foreign currency translation loss amounting to ₱57,590,024*

	2022		
	LTP	**CPCS**	**JASCO**
Revenue from contracts with customers	**₱10,000,811,206**	**₱252,144**	**₱733,651,123**
Direct costs	**4,285,828,273**	**9,874,296**	**817,054,972**
Gross profit (loss)	**5,714,982,933**	**(9,622,152)**	**(83,403,849)**
General and administrative expenses	**4,148,175,409**	**3,944,604**	**88,486,739**
Net income (loss)	**1,020,012,048**	**(13,107,928)**	**(119,516,397)**
Other comprehensive income (loss)	**227,642,411**	**–**	**–**
Total comprehensive income (loss)	**1,247,654,459**	**(13,107,928)**	**(119,516,397)**
Group's share in net income (loss)	**₱499,805,903**	**(₱5,243,171)**	**(₱35,854,191)**
Group's share in total comprehensive income (loss)	**₱611,350,685**	**(₱5,243,171)**	**(₱35,854,919)**

	2021		
	LTP	CPCS	JASCO
Current assets	₱4,524,080,242	₱42,414,516	₱340,232,404
Noncurrent assets	5,476,562,732	15,553,012	217,156,779
Current liabilities	(3,782,605,934)	(3,861,351)	(244,097,944)
Noncurrent liabilities	(3,795,060,463)	(18,866,567)	(347,793,801)
Equity (capital deficiency)	2,422,976,577*	35,239,610	(34,502,562)
Group's carrying amount of its investments	₱992,266,822	₱14,095,844	₱780,384,450

**Inclusive of cumulative foreign currency translation loss amounting to ₱212,490,203*

	2021		
	LTP	CPCS	JASCO
Revenue from contracts with customers	₱6,777,030,949	₱258,144	₱623,600,259
Direct costs	2,099,862,434	11,539,696	777,517,166
Gross profit (loss)	4,677,168,515	(11,281,552)	(153,916,907)
General and administrative expenses	3,475,048,746	3,227,057	94,849,185
Net income (loss)	715,483,736	(14,240,635)	(143,182,391)
Other comprehensive income (loss)	224,032,022	–	–
Total comprehensive income (loss)	939,515,758	(14,240,635)	(143,182,391)
Group's share in net income (loss)	₱350,587,031	(₱5,696,254)	(₱42,954,717)
Group's share in total comprehensive income (loss)	₱460,362,721	(₱5,696,254)	(₱42,954,717)

	2020		
	LTP	CPCS	JASCO
Current assets	₱4,100,259,031	₱78,943,676	₱453,922,560
Noncurrent assets	5,275,960,719	20,087,167	276,795,372
Current liabilities	(3,833,762,355)	(10,624,616)	(191,290,886)
Noncurrent liabilities	(4,177,821,882)	(17,208,811)	(428,003,393)
Equity	1,364,635,513*	71,197,416	111,423,653
Group's carrying amount of its investments	₱473,679,699	₱19,792,099	₱824,162,315

**Inclusive of cumulative foreign currency translation loss amounting to ₱332,029,145*

	2020		
	LTP	CPCS	JASCO
Revenue from contracts with customers	₱8,304,900,219	₱59,351,437	₱1,091,294,779
Direct costs	3,215,894,999	48,107,209	1,355,847,032
Gross profit (loss)	5,089,005,220	11,244,228	(264,552,253)
General and administrative expenses	6,133,406,008	13,837,113	98,646,840
Net loss	(1,257,809,837)	(4,334,427)	(101,443,685)
Other comprehensive loss	(176,837,467)	–	–
Total comprehensive income	(1,434,647,304)	(4,334,427)	(101,443,685)
Group's share in net loss	(₱616,326,820)	(₱1,733,771)	(₱30,433,105)
Group's share in total comprehensive loss	(₱702,977,179)	(₱1,733,771)	(₱30,433,105)

In the normal course of business, LTP is involved in certain claims by third parties mainly related to damages, consignment of inventories, labor and other contingencies. These provisions for claims and losses pertain to management's best estimate of probable losses in connection with claims from third parties involving damages, consignment of inventories, and other issues. These provisions have been developed in consultation with LTP's legal counsels, advisors and are based upon an analysis of potential results. LTP recognized provisions amounting to ₱639.9 million and ₱520.4 million as of December 31, 2022 and 2021, respectively, which are included as part of "Current liabilities" in LTP's summarized financial information. The provision (reversal of provision) for probable losses and claims recognized in profit or loss amounted to ₱99.3 million, ₱107.4 million and (₱357.8 million) in 2022, 2021 and 2020, respectively, which are included as part of "General and administrative expenses" in LTP's summarized financial information.

Dividend received from LTP and CPCS amounted to ₱114.7 million, nil and ₱963.3 million in 2022 2021 and 2020, respectively.

Further, the Group has interest in two other associates. The financial information of these associates as of and for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Total assets	**₱160,889,004**	₱103,079,800
Total liabilities	**89,625,827**	35,702,384
Equity	**71,263,177**	67,377,416
Net loss	**2,407,340**	6,293,101
Group's carrying amount of its investments	**47,769,226**	47,769,226

10. Subsidiaries with Material Non-controlling Interests

As of December 31, 2022 and 2021, MASCORP has a material non-controlling interest of 20%. On December 5, 2019, the Company entered into a share purchase agreement with Konoike Transport Co., LTD. ("Konoike") to sell 250,001 shares representing 20% of the total issued and outstanding capital stock of MASCORP. After the sale, MASCORP is 20% owned by Konoike. The transaction was accounted for as a sale of share in subsidiary without loss of control; thus an equity transaction (see Note 27).

As of December 31, 2022 and 2021, MACS has a material non-controlling interest of 33%.

Set out below are the summarized financial information of MASCORP and MACS. The amounts disclosed are based on those included in the consolidated financial statements before intercompany eliminations.

Summarized balance sheets:

	2022		2021	
	MASCORP	**MACS**	MASCORP	MACS
Current assets	**₱1,229,603,091**	**₱761,359,756**	₱925,797,019	₱486,920,578
Noncurrent assets	**517,399,148**	**361,861,348**	622,851,958	404,546,750
Current liabilities	**1,427,668,983**	**519,445,193**	1,230,802,282	281,669,500
Noncurrent liabilities	**111,082,401**	**43,260,252**	181,954,975	43,821,382
Equity	**208,250,854**	**560,515,659**	135,891,720	565,976,446
Equity attributable to non-controlling interest	**42,282,125**	**157,795,659**	27,178,344	152,320,871

Summarized statements of income:

	2022		2021	
	MASCORP	**MACS**	MASCORP	MACS
Revenue	**₱2,008,068,324**	**₱832,280,283**	₱1,035,218,779	₱307,416,994
Direct costs	**1,766,455,280**	**578,637,044**	1,078,036,965	238,700,335
Operating expenses	**158,652,905**	**219,856,434**	99,778,573	146,792,054
Net income/(loss)	**80,225,277**	**8,496,492**	(75,516,962)	(82,590,003)
Net income attributable to non-controlling interest	**15,944,201**	**3,871,102**	(15,103,392)	(27,254,701)

Summarized statements of comprehensive income:

	2022		2021	
	MASCORP	**MACS**	MASCORP	MACS
Net income (loss)	**₱80,225,277**	**₱8,496,492**	(₱75,516,962)	(₱82,590,003)
Other comprehensive income (loss)	**(4,202,099)**	**6,479,538**	(62,553,943)	36,236,686
Total comprehensive income (loss)	**76,023,178**	**14,976,030**	(138,070,905)	(46,353,317)
Total comprehensive income (loss) attributable to non-controlling interest	**15,103,781**	**5,474,788**	(27,614,181)	(15,296,595)

Summarized statements of cash flows:

	2022		2021	
	MASCORP	**MACS**	MASCORP	MACS
Cash flows from operations	**₱222,173,667**	**₱34,072,137**	₱119,189,808	₱8,037,858
Cash flows used in investing activities	**(17,470,945)**	**(18,112,779)**	(10,075,943)	(86,621,665)
Cash flows from (used in) financing activities	**(99,578,253)**	**15,959,858**	150,006,949	–

11. Property, Plant and Equipment

2022

	Land and land improvements	Building and leasehold improvements	Kitchen and other operations equipment	Transportation equipment	Aviation equipment	Plant and technical equipment	Water pumps and machineries	Water pipelines	Office furniture, fixtures and equipment	Drilling equipment	Construction in progress (Notes 16 and 18)	Total
Cost												
January 1	₱438,598,500	₱1,014,662,911	₱769,895,297	₱405,854,572	₱883,878,837	₱115,495,915	₱260,829,948	₱2,778,258	₱224,859,631	₱27,425,491	₱302,143,864	₱4,446,423,224
Additions	2,207,600	6,723,691	15,654,419	27,899,999	20,585,663	8,505,492	700,000	–	10,794,813	–	43,164,843	136,236,520
Adjustments, Reclassifications and Disposal	–	20,003,987	1,421,638	(1,064,857)	(23,057,082)	–	29,313,754	190,284	(3,012,088)	–	(67,710,273)	(43,914,637)
December 31	440,806,100	1,041,390,589	786,971,354	432,689,714	881,407,418	124,001,407	290,843,702	2,968,542	232,642,356	27,425,491	277,598,434	4,538,745,107
Accumulated Depreciation												
January 1	(41,189)	(471,264,299)	(506,658,064)	(313,275,086)	(431,106,304)	(23,006,852)	(157,438,298)	(2,778,257)	(161,284,288)	(26,808,267)	–	(2,093,660,904)
Additions	–	(40,827,065)	(45,787,169)	(35,815,395)	(63,664,246)	(21,798,708)	(463,644)	–	(20,295,564)	(581,887)	–	(229,233,678)
Adjustments, Reclassifications and Disposal	–	5,410	443,255	908,842	16,340,109	–	(10,198,319)	–	(786,879)	–	–	6,712,418
December 31	(41,189)	(512,085,954)	(552,001,978)	(348,181,639)	(478,430,441)	(44,805,560)	(168,100,261)	(2,778,257)	(182,366,731)	(27,390,154)	–	(2,316,182,164)
Net Book Value	₱440,764,911	₱529,304,635	₱234,969,376	₱84,508,075	₱402,976,977	₱79,195,847	₱122,743,441	₱190,285	₱50,275,625	₱35,337	₱277,598,434	₱2,222,562,943

2021

	Land and land improvements	Building and leasehold improvements	Kitchen and other operations equipment	Transportation equipment	Aviation equipment	Plant and technical equipment	Water pumps and machineries	Water pipelines	Office furniture, fixtures and equipment	Drilling equipment	Construction in progress (Notes 16 and 18)	Total
Cost												
January 1	₱437,374,050	₱992,145,955	₱753,409,690	₱386,681,743	₱828,567,014	₱6,577,546	₱260,829,948	₱2,778,258	₱201,632,794	₱27,425,491	₱404,154,060	₱4,301,576,549
Additions	924,450	8,840,817	15,057,385	26,029,972	1,691,206	1,108,929	–	–	24,064,995	–	37,399,502	195,117,256
Adjustments, Reclassifications and Disposal	300,000	13,676,139	1,428,222	(6,857,143)	(26,379,383)	107,809,440	–	–	(838,158)	–	(139,409,698)	(50,270,581)
December 31	438,598,500	1,014,662,911	769,895,297	405,854,572	883,878,837	115,495,915	260,829,948	2,778,258	224,859,631	27,425,491	302,143,864	4,446,423,224
Accumulated Depreciation												
January 1	–	(430,002,006)	(457,094,186)	(280,871,353)	(373,691,029)	(1,434,928)	(148,980,565)	(2,778,257)	(138,946,592)	(25,864,659)	–	(1,859,663,575)
Additions	(4,216)	(41,262,293)	(49,629,961)	(32,461,871)	(62,392,255)	(21,571,924)	–	–	(22,408,274)	(943,608)	–	(230,674,402)
Adjustments, Reclassifications and Disposal	(36,973)	–	66,083	58,138	4,976,980	–	(8,457,733)	–	70,578	–	–	(3,322,927)
December 31	(41,189)	(471,264,299)	(506,658,064)	(313,275,086)	(431,106,304)	(23,006,852)	(157,438,298)	(2,778,257)	(161,284,288)	(26,808,267)	–	(2,093,660,904)
Net Book Value	₱438,557,311	₱543,398,612	₱263,237,233	₱92,579,486	₱452,772,533	₱92,489,063	₱103,391,650	₱1	₱63,575,343	₱617,224	₱–	₱2,352,762,320

Management performed impairment tests for CGUs that are operating below the expected level and were significantly impacted by the COVID-19 pandemic. The recoverable amounts are computed based on value in use calculations using cash flow projections of three to five years as approved by management and discounted using a pre-tax discount rates ranging from 8.7% to 11.0% in 2022 and 13.0% to 16.4% in 2021. Management determined that the value in use exceeds the carrying amount of the CGUs with sufficient headroom as of December 31, 2022 and 2021.

The key assumptions used in determining the recoverable amounts as of December 31, 2022 of property plant and equipment are the same as with those used in the impairment testing of service concession rights. Further, management used 4.0% growth rate in the calculation of cash flows beyond the forecast period.

Management believes that no reasonably possible change in the assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

Noncash additions as of December 31, 2022 amounted to ₱2.6 million.

Depreciation and amortization is distributed as follows:

	2022	2021	2020
Direct costs (Note 20)	**₱175,741,173**	₱172,479,934	₱189,445,680
Operating expenses (Note 20)	**53,492,505**	58,194,468	55,619,739
	₱229,233,678	₱230,674,402	₱245,065,419

12. **Investment Property**

The Group's investment property pertains to a parcel of land held for future development which amounted to ₱143.9 million as of December 31, 2022 and 2021. The fair value of the investment property amounted to ₱433.0 million which is based on the latest available appraisal report rendered by a Philippine SEC-accredited professional firm of independent appraisers as of March 26, 2021 (see Note 32). Management believes that there have been no significant activities in the areas where the investment properties are located which can indicate significant changes in the fair values of investment properties per appraiser reports.

The independent appraiser used the "Sales Comparison Approach" in valuing the property in 2021. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by process involving comparison. Listings and offerings may also be considered.

Operating expense incurred in relation to investment property pertains to real property taxes (included as part of "Taxes and licenses") amounted to ₱0.4 million in 2022, 2021 and 2020 (see Note 20).

There are neither restrictions on the realizability of investment property nor contractual obligations to develop or maintain such property.

13. Service Concession Rights, Intangible Assets and Goodwill

Service Concession Rights

	2022	2021
Cost		
Beginning balance	**₱528,713,798**	₱511,384,549
Additions	**18,752,113**	17,329,247
Ending balance	**547,465,911**	528,713,796
Accumulated Amortization		
Beginning balance	**109,909,757**	88,938,202
Amortization (Note 20)	**21,928,668**	20,971,553
Ending balance	**131,838,425**	109,909,755
Net Book Value	**₱415,627,486**	₱418,804,041

The cost of service concession right pertains to incurred construction costs by SNVRDC in relation to the construction of water treatment plant and pipe laying activities in Solano, Nueva Viscaya and the fair value of NAWASCOR's water system and pipelines in Naic, Cavite (see Note 29). Pursuant to Philippine Interpretation IFRIC 12, the Group recognizes intangible assets in accordance with the accounting policies stated in Note 2.

The additions to service concession right in 2022 and 2021 pertain to costs of ongoing construction of water facilities and pipe laying activities. These are recognized as contract assets and are presented as part of service concession right in the 2022 consolidated balance sheet. Construction revenue and costs amounted to ₱0.4 million, ₱0.2 million and ₱2.4 million in 2022, 2021 and 2020, respectively (see Note 22).

In 2022 and 2021, management performed impairment test of SNVRDC's service concession right due to SNVRDC's continued losses since the start of commercial operations in 2016. SNVRDC is part of water treatment and distribution segment. SNVRDC's service concession right, which pertains to incurred construction costs, amounted to ₱230.5 million and ₱243.2 million as at December 31, 2022 and 2021, respectively. Management has determined based on the impairment test that the value-in-use exceeds the carrying value of the service concession right.

The calculation of value in use is most sensitive to the following assumptions:

- *Discount rate (8.7% in 2022 and 8.1% in 2021)* - Discount rate represents the current market assessment of the risk specific to the Company, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is derived from the WACC. The Group used WACC rate as affected by beta of companies with similar activities and capital structure. WACC is also affected by costs of debt and capital based on average lending rates for long-term loans.

- *Average volume of annual water consumption (2.3 million cubic meter)* - The average volume of annual water consumption is based on management's best estimate of water consumption per customer and increases in number of connections considering factors such as historical trend, market analysis, government regulations and other economic factors.

- *Average price per cubic meter (average annual increase of 3% until 2028)* - Price per cubic meter represents the management's forecast that the Company would charge its customers considering the estimated increase to be granted by the Municipality of Solano, the approved tariff rate of National Water Regulations Board, and the estimated yearly increase that is acceptable to the customers.

Sensitivity to Changes in Assumptions
Other than as disclosed above, management believes that any reasonable possible change in any of the above assumptions would not cause the carrying value to exceed its recoverable amount.

Goodwill and Intangible Assets

	2022	2021
Goodwill	**₱127,842,231**	₱127,842,231
Intangible assets		
Right-to-use of water permits	**117,268,229**	109,314,414
Customer contract and relationships	**51,475,042**	54,865,447
	168,743,271	164,179,861
	₱296,585,502	₱292,022,092

Goodwill
The goodwill recognized by the Group amounting to ₱127.8 million as of December 31, 2022 and 2021 resulted from the Group's acquisition of: (a) 13% non-controlling interest from a previous stockholder of MACS in 2006, (b) 67% of BTSI in 2016, (c) 100% of NAWASCOR in 2017 and (d) 60% of SWRI in 2018.

The carrying amount of goodwill is allocated to each of the CGUs (determined to be at the subsidiary level) as of December 31, 2022 and 2021 as follows:

MACS	BTSI	NAWASCOR	SWRI	Total
₱17,531,232	₱46,056,595	₱36,885,706	₱27,368,698	₱127,842,231

Management performs its annual impairment test of goodwill of CGUs. BTSI and NAWASCOR are part of the water treatment and distribution segment, while MACS is part of inflight and other catering services segment. The recoverable amounts are computed based on value in use calculations using cash flow projections as approved by management and discounted using a pre-tax discount rate of 8.7% in 2022 and 12.9% in 2021. Management determined, that the value in use exceeds the carrying amount of the cash generating units with sufficient headroom as of December 31, 2022 and 2021.

The key assumptions used in determining the recoverable amounts as of December 31, 2022 of goodwill allocated to BTSI and NAWASCOR and right-to-use assets are the same as with those used in the impairment testing of service concession rights. Further, management used 4.0% growth rate in the calculation of cash flows beyond the forecasted period. In addition, for impairment testing of goodwill allocated to MACS, management used sales growth rate based on MACS' five-year forecast and long-term growth rate of 4% and 5.0% in 2022 and 2021, respectively, based on forecasted growth in food industry.

Management believes that no reasonably possible change in the assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

Right-to-use of water permits
The right-to-use of water permits allow BTSI and NEWS to extract and distribute water in certain provinces of the Philippines and for NAWASCOR to operate, manage, maintain water systems of certain subdivisions. Management believes that the right-to-use assets have an indefinite useful life due to the permanent nature of water permits and minimal time and effort required of BTSI and NEWS to renew certain operating permits in view of continued compliance with relevant regulations.

Customer contract and relationships
Customer contract and relationships pertain to Group's long-term water supply contract with a third party and established relationships with the existing customers through service contracts. These are identified intangible assets as part of the acquisition of BTSI group in 2016. The customer contract is amortized over the remaining contract term, while customer relationships are amortized over the estimated years where all the existing customers would have switched to other water distributors. The amortization of customer contract and relationships amounted to ₱3.4 million in 2022 and 2021.

14. **Deferred Mine Exploration Costs and Mining-Related Activities**

Deferred mine exploration costs amounts to ₱238.51 million and ₱237.49 million as of December 31, 2022 and 2021, respectively.

Infanta Nickel Project
Deferred mine exploration costs pertain to costs incurred by the Company in the exploration of its mining property located in Brooke's Point, Palawan, the Infanta Nickel Project (the Project).

The Project is the Company's tenement under MPSAs with the government, MPSA 220IV-B. It holds another mining property within the same Municipality denominated as MPSA No. 221-2005-IVB. The former MPSA is a consolidation of the Company's eight mining lease contracts with the Government that were granted under Commonwealth Act No. 137 and P.D. 463. In the 1970's, the Company operated the mine as an export producer of beneficiated nickel laterite. As such, it had sales and purchase agreements with Sumitomo Metal Mining Co., Ltd. of Japan, and thus, had made shipments of nickel ore to Japan in the 1970's until very low nickel prices forced the operations to be suspended. The previous quarry and road network within the tenement still exists and is currently being maintained for future use.

The MPSAs run for a term not exceeding 25 years from the dates of the grant, and are renewable for another term not exceeding 25 years under the same terms and conditions, without prejudice to changes that will be mutually agreed upon by the DENR and the Company. As provided under the MPSAs, the Company is allowed to conduct exploration activities within a certain period ("exploration period"), renewable for like periods but not to exceed a total term of eight years.

In 2008, the Supreme Court ruled with finality that the Company has vested legal rights to its MPSAs; and with the grant of the Environmental Compliance Certificate (ECC) in 2010 for operations by the DENR, the Company secured two major permits necessary to bring back the mine to operations. Further, in 2010, the exploration efforts of the Company resulted in the delineation of 10.8 million dry metric ton of measured mineral resource with average grade of 1.30% nickel (Ni) and 31.28% iron (Fe) at 1% Ni cut-off. The reserves calculation was validated by the Mines and Geosciences Bureau (MGB) to be acceptable. MGB's independent calculation revealed a measured mineral resource of 12.8 million dry metric ton with average grade of 1.29% Ni and 32.20% Fe at 1.0% Ni cut-off.

The recovery of deferred mine exploration costs depends upon the success of exploration activities and future development of the mining properties, as well as the discovery of recoverable reserves in quantities that can be commercially produced. In prior yours, and although the Group's nickel mine is a reactivation of an existing mine that was operational in the 1970s, the Group recognized impairment loss amounting to ₱217.1 million due to the issuance of DENR Administrative Order No. 2017-10 which puts a temporary ban on new projects for open-pit method of mining for ores. In though, the Group's MPSAs for its Infanta Nickel Project has been affirmed as valid and subsisting by DENR-MGB, and with the recent issuance of E.O. 130 lifting the nine-year moratorium on granting new mining permits in the Philippines, hence, the Company reversed the previously recognized impairment loss amounting to ₱217.1 million in 2021.

On April 29, 2021, the Group received from the DENR the Notice of Issuance of an Order for the Deed of Assignment dated June 7, 2019 executed by and between MacroAsia Corporation and MacroAsia Mining Corporation under Mineral Production Sharing Agreement Nos. 220-2005-IVB and 221-2005-IVB. This DENR-approved Deed of Assignment documented MAC Parent's assignment of all its rights and interests under the MPSAs to its fully-owned subsidiary, MacroAsia Mining Corporation.

On July 23, 2021, the BOD approved the signing of a Memorandum of Agreement (MOA) between its 100% wholly owned subsidiary, MMC and Calmia Nickel, Inc. (Calmia) for the nickel mine in Brooke's Point Palawan. This operating agreement allows Calmia to explore and operate the mining tenement of MMC in Brooke's Point, Palawan, in exchange for payment of royalties to the Group. Currently, the mine operator is working on the permits needed to re-open and operate the mine.

As of December 31, 2022, MMC is waiting for the release of the Certification Precondition (CP) from NCIP. It was approved last December 27, 2022 and recommended for issuance. MMC subsequently received the certificate in February 2023. For MMC to conduct business in full, there are permits that are currently being secured to meet the timeline to operate.

Administrative expenses related to the mining exploration activities are expensed as incurred and presented under "Mining expenses" under "Operating expenses" account. These amounted to nil, ₱2.3 million and ₱6.3 million in 2022, 2021 and 2020, respectively (see Note 20).

Deeds of Assignment with Bulawan Mining Corporation (BUMICO)
In 2012, the Company entered into two deeds of assignment with BUMICO. The first deed of assignment covered BUMICO's rights, title to, interests and obligations under the former's application for exploration permit with the MGB of the DENR over certain properties in Basay, Negros Oriental under Exploration Permit Application No. 000103 VII. In consideration, the Company paid BUMICO ₱16.0 million, which is recorded as "Deferred mine exploration costs" under "Other noncurrent assets" account in the consolidated balance sheets. The said assignment was approved by the Regional Director of the MGB on January 28, 2013.

The second deed of assignment covered BUMICO's rights, interests and obligations under an Operating Agreement with Philex Mining Corporation (PHILEX). The Operating Agreement granted PHILEX the exclusive right and privilege to take over, as an independent contractor, the working and operation of Mineral Claims as defined in the Operating Agreement for a period of 25 years. In consideration, the Company offered its technical services for BUMICO to tie up with PHILEX. The said deed of assignment was consented by PHILEX. Currently, PHILEX has no operations over the Mineral Claims. Once PHILEX resumes the operations of and generates income from the Mineral Claims, the Company shall be entitled to royalty payments and that BUMICO shall be entitled to a certain percentage of such royalties.

15. **Other Noncurrent Assets**

	2022	2021
Installment receivables - net of current portion (Note 6)	**₱698,923**	₱15,033,478
Finance lease receivable - net of current portion (Note 6)	**12,077,793**	12,627,370
Contract assets - net of current portion (Note 6)	**77,139,974**	77,139,974
Advances to contractors and suppliers	**62,062,497**	48,351,454
Input VAT (Note 8)	**141,541,222**	135,258,880
Equity investments designated at FVTOCI	**105,155,800**	83,155,800
Deferred project costs	**42,783,267**	42,783,267
Deposits	**45,669,001**	40,315,667
Deferred mine exploration costs (Note 14)	**238,513,440**	238,513,440
Deferred rent expense	**25,567,429**	25,785,880
Pension asset (Note 21)	**7,741,764**	21,024,539
Others	**22,782,016**	32,700,116
	₱781,733,126	₱772,689,865

Advances to contractors and suppliers
Advances to contractors pertain to advance payments to contractors which primarily serve as mobilization fee and are diminished through progress billings, and down payments for major capital expenditures.

Equity investments designated at FVTOCI
The Company's investments in golf club share and other proprietary and equity shares are carried at fair value based on published club share quotes that are publicly available from local dailies and from the website of club share brokers. As of December 31, 2022 and 2021, equity investments designated at FVTOCI amounted to ₱105.2 million and ₱83.2 million, respectively.

Below is the movement of reserve for fair value changes of financial assets investments at FVTOCI, which is presented as part of "Reserve for fair value changes of financial assets investments" in the consolidated statements of changes in equity.

	2022	2021
Beginning balance	**₱51,019,999**	₱38,269,999
Changes in fair value of equity investments held at FVTOCI, net of tax effect	**18,700,000**	12,750,000
Ending balance	**₱69,719,999**	₱51,019,999

Deferred income tax liabilities on the fair value changes of the equity investments designated as FVTOCI amounted to ₱3.3 million and ₱2.3 million as of December 31, 2022 and 2021, respectively (see Note 25).

Finance lease receivable
The Group has a long-term lease agreement with a third party which stipulates for a minimum volume of cubic meter to be delivered daily. This is accounted for under finance lease with the related receivables classified as part of “Installment receivables” of the Group. The gross investment in the lease and the present value of minimum lease payments as of December 31 are shown as follows:

	2022	2021
Not later than one year	**₱1,030,346**	₱1,030,346
Later than one year and not later than five years	**4,121,385**	5,151,732
Later than five years	**12,020,708**	12,020,707
Gross finance lease receivable	**17,172,439**	18,202,785
Less unearned interest	**(4,545,069)**	(5,046,743)
Present value of minimum lease payments	**12,627,370**	13,156,042
Current portion (Note 6)	**(549,577)**	(528,672)
Finance lease receivable - noncurrent portion	**₱12,077,793**	₱12,627,370

Deferred project costs
Deferred project cost as of December 31, 2022 and 2021 pertain to the following:

Maragondon Bulk Water project costs	₱34,067,350
Engineering designs, consultancy, development and geodetic surveys costs	8,715,917
	₱42,783,267

a. Maragondon Bulk Water project costs pertain to the cost of feasibility study acquired as part of WBSI acquisition in 2011. Prior to acquisition, WBSI had contractual joint venture agreement with Maragondon Water District (MWD) when WBSI submitted an unsolicited proposal to develop a bulk water supply project to be sourced from the Maragondon River, to install and operate the water treatment plant and deliver treated water at the off-takers tapping point. As part of the agreement, MWD assigned its water permits for the use of the raw water from Maragondon River to WBSI. As of December 31, 2022 and 2021, the Group is working with the local government to execute the Bulk Water Supply Agreement which will contain the terms and conditions to operate the water treatment facility, as well as the corresponding tariffs and royalty fees.

   In January 2019, the Group entered into a Supplemental Agreement to clarify the terms of the contractual joint venture agreement and agree on the implementation timeline of the project.

b. In relation to the Group’s water-related projects, the Group incurs expenditures related to the technical feasibility studies which include engineering designs, consultancy fees, development and geodetic surveys and other project costs.

Others include software and restricted time deposits placed by the Group to guaranty an institutional catering contract amounting to ₱7.5 million and ₱16.6 million as of December 31, 2022 and 2021, respectively. The Group recognized amortization related to software amounting to ₱1.6 million, ₱4.1 million, and ₱6.4 million in 2022, 2021 and 2020, respectively (see Note 20).

16. Notes Payable and Long-Term Debts

Notes payable

Entity	Facility	Terms	Outstanding Balance 2022	2021
Parent Company	One-year loan agreement	Principal payable at maturity; interest payable quarterly, interest rate of 5.75%.	**₱–**	₱275,000,000
BTSI	6 months short-term loan agreement	Principal and interest payable at maturity; interest rate of 6.00%.	**39,000,000**	45,000,000
MSFI	180 days short-term loan agreement	Principal and interest payable at maturity; interest rate of 6.0% (Note 18).	**50,000,000**	50,000,000
NAWASCOR	6 months short-term loan agreement	Principal payable at maturity; interest payable quarterly, interest rate of 4.5%.(Note 18)	**50,000,000**	50,000,000
			₱139,000,000	₱420,000,000

Long-term debts

Entity	Facility	Terms	Outstanding Balance 2022	2021
MSFI	Eight-year term loan agreement	Principal and interest payable quarterly; interest rate equivalent to the benchmark rate plus 100 basis points per annum or 4.00%, whichever is higher (Note 18).	**₱203,703,704**	₱277,777,778
	Eight-year term loan agreement	Principal and interest payable quarterly; interest rate equivalent to 7.10% per annum (Note 18).	**173,571,429**	212,142,857
MASCORP	Five-year term loan agreement	Principal and interest payable monthly; interest rate of 2.49% per annum subject to quarterly re-pricing (Note 18).	**90,270,007**	115,597,737
	Five-year term loan agreement	Principal and interest payable monthly; interest rate of 3.84% per annum subject to quarterly re-pricing (Note 18).	**76,326,531**	106,857,143
	Five-year term loan agreement	Principal and interest payable monthly; interest rate of 3.01% per annum subject to quarterly re-pricing (Notes 18 and 23).	**10,268,209**	18,062,145
	Five-year term loan agreement	Principal and interest payable monthly; interest rate of 3.30% per annum subject to quarterly re-pricing (Notes 18 and 23).	**892,080**	12,647,754
BTSI	Fifteen-year term loan agreement	Principal and interest payable monthly; interest rate of 6.0% per annum.	**19,843,200**	19,843,200
	Fifteen-year term loan agreement	Principal and interest payable monthly; interest rate of 6.0% per annum.	**6,736,800**	6,736,800
	Ten-year term loan agreement	Monthly principal repayment to commence one year after the drawdown date, and bears interest rate of 6.0% per annum	**242,411,296**	252,950,917
	Fourteen-year term loan agreement	Monthly principal repayment to commence at the two years after the drawdown date, and bears interest rate of 6.0% per annum	**10,000,000**	–
SWRI	Nine-year term loan agreement	Principal and interest payable monthly; interest rate of 8.0%.	**15,964,775**	18,844,778
	Five-year term loan agreement	Principal and interest payable quarterly; interest rate of 6.5% per annum.	**536,176**	688,634
NAWASCOR	Three-year term loan agreement	Principal and interest payable quarterly, interest rate of 6.25% per annum	**200,000,000**	–
NAWASCOR	Five-year term loan agreement	Principal and interest payable semi-annually, interest rate of 5.00% per annum	**1,054,167**	1,150,000
FAA	Five-year term loan agreement	Principal and interest payable quarterly; interest rate of 7.5% per annum.	**80,152,317**	100,000,000
			1,131,730,691	1,143,299,743
	Unamortized transaction costs		**(2,475,623)**	(3,048,107)
			1,129,255,070	1,140,251,636
	Less current portion		**298,122,652**	210,277,717
	Noncurrent portion		**₱831,132,418**	₱929,973,919

The aforementioned notes payable and long-term debts are obtained from local banks.

The MSFI loan was specifically availed to finance the construction of its kitchen facility (see Note 11). In accordance with the loan agreement, MSFI is required to maintain debt-to-equity ratio of not more than 70:30 and debt service coverage ratio (DSCR) of at least 1.2 times. In December 2021, the lender-bank approved to defer the effectivity of the financial loan covenants until December 31, 2022.

In accordance with the loan agreements, MASCORP is required to maintain a debt-to-equity ratio of not greater than 2.33 times and debt service coverage ratio of not lower than 1.0x. In December 2021, the lender-bank approved to defer the effectivity of the financial loan covenants until December 31, 2022.

BTSI is required to maintain certain financial ratios, such as current ratio, debt service cost coverage and debt equity ratio, and comply with non-financial covenants for bank loan applicable a year after the grant of the loan. In 2022, the lender-bank approved to defer the effectivity of the financial and non financial loan covenants until December 31, 2022.

Total interest expense incurred amounted to ₱94.1 million, ₱86.1 million and ₱105.1 million in 2022, 2021 and 2020, respectively (see Note 22). There was no capitalization of interest expense in 2022, 2021 and 2020.

17. Accounts Payable and Accrued Liabilities

	2022	2021
Trade accounts payable:		
Third parties	**₱897,480,909**	₱532,799,469
Related parties (Note 18)	**174,349,452**	183,508,489
Nontrade accounts payable (Notes 18 and 29)	**321,685,799**	286,519,632
Accrued:		
Rental	**80,105,525**	47,511,972
Service fees (Note 29)	**66,827,456**	34,238,416
Personnel cost	**36,295,125**	29,222,780
Outside services	**13,588,691**	9,797,099
Interest (Notes 16 and 18)	**9,706,555**	4,442,284
Utilities and others (Note 20)	**170,706,241**	137,783,515
Unearned revenue	**83,395,122**	78,474,938
Retention payable	**8,068,447**	17,691,389
Output VAT	**166,056,361**	75,551,678
Payable to government agencies	**77,135,202**	54,976,545
	₱2,105,400,885	₱1,492,518,206

Trade payables are incurred in the conduct of the Group's business with normal credit terms ranging from 30 to 45 days. Nontrade payables include concession privilege fee payable and payable to mine surveyor and subcontractor.

Retention payable pertains to the portion of the contractors' billings on the various construction projects retained by the Group and will be released upon acceptance of the completed projects and submission by the contractors of the certificate of completion and guarantee bond.

Deferred output VAT, which is included as part of "Output VAT", pertains to output VAT of uncollected receivables from the rendering of the Group's services.

Payable to government agencies include other tax-related payable such as withholding tax and payable to Social Security System, Philippine Health Insurance Corporation and Pag-IBIG Fund Contributions.

18. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. It includes companies in which one or more of the directors and/or shareholder of the Company either has a beneficial controlling interest or are in a position to exercise significant influence therein (i.e., affiliates).

Transactions between the Company and its subsidiaries and the related balances are eliminated at consolidation and are no longer included in the disclosures.

Transactions disclosed below pertain to the following related parties:

Relationship	**Name**
Affiliates	Philippine National Bank Philippine Airlines, Inc. (PAL) Air Philippines Corporation (APC)
Associates	LTP CPCS

The following tables summarize the transactions with the Group's related parties and their account balances:

Nature of Transaction	Outstanding balance **2022**	2021	Terms and conditions
	(In millions)		
Affiliates			
Deposits and cash equivalents	**₱433.6**	₱328.7	On demand; prevailing interest rate
Rental deposit	**4.2**	4.2	To be refunded at the end of lease term; non-interest bearing
Trust fund retirement plan (Note 21)	**91.3**	92.7	Based on trustee agreement

Nature of Transaction	Amount of Transactions **2022**	2021	2020	Outstanding Balance Receivable (Payable) **2022**	2021	Terms and Conditions
			(In millions)			
Affiliates						
Interest income on deposits and cash equivalents (Note 22)	**₱0.4**	₱0.7	₱5.6	**₱–**	₱–	On demand; prevailing interest rate
Ground handling and other services	**1,901.4**	821.6	936.9	**734.9**	675.0	30 day, unsecured, non-interest bearing, impaired
Catering services	**852.6**	231.0	391.9	**158.5**	148.5	30 day, unsecured, non-interest bearing, impaired
Share in rental and utilities in MIAA	**51.7**	1.0	1.0	**(32.4)**	–	On-demand, unsecured, non-interest bearing
Short-term debt (Note 16)	**–**	150.0	50.0	**(100.0)**	(100.0)	5-8 year term loan, interest bearing
Long-term debt (Note 16)	**200.2**	2.0	–	**(504.7)**	(781.2)	based on benchmark rate, payable
Interest expense	**46.7**	43.5	55.8	–	–	quarterly; no collateral
Office rent	**10.5**	–	–	–	–	30 day, unsecured, non-interest bearing

Nature of Transaction	Amount of Transactions 2022	2021	2020	Outstanding Balance Receivable (Payable) 2022	2021	Terms and Conditions
	(In millions)					
Associates						
Administrative and lease income from sublease of land	**₱29.2**	₱29.1	₱67.6	**₱–**	₱–	25 years, non-interest bearing, includes impact of straight-line recognition of lease income
Service fee from preventive maintenance and waste water treatment services	**1.1**	1.0	1.0	**1.1**	–	30 day, unsecured, non-interest bearing, unimpaired
Ground handling	**3.6**	–	18.9	**2.5**	–	30 day, unsecured, non-interest bearing, impaired
Catering services	**12.7**	7.5	5.66	**5.8**	3.4	30 day, unsecured, non-interest bearing, impaired
Management services	**25.6**	52.8	22.1	**–**	1.2	30 day, unsecured, non-interest bearing, unimpaired
Dividend declaration	**114.7**	–	963.3	**–**	–	On-demand, unsecured, non-interest bearing

Outstanding balances at year-end are to be settled in cash. There have been no guarantees provided or received for any related party receivables or payables. As of December 31, 2022 and 2021, allowance for ECL were recognized for the receivables from affiliates amounting to nil and ₱54.4 million, respectively.

<u>Ground handling and catering arrangements</u>

Transactions with PAL and APC include ramp, passenger, cargo and other ground handling services and catering services. The Group also provides catering services to an airport lounge of PAL.

As of December 31, 2022 and 2021, the Group's trade receivables from related parties amounted to ₱845.4 million and ₱787.5 million, net of allowance amounting to nil and ₱40.6 million, respectively.

<u>Loans</u>

In 2017, MSFI availed an eight-year term loan facility amounting to ₱400.0 million with the local affiliated bank (see Note 16). The loan was availed to finance the MSFI's construction of kitchen facility. In 2019, the Group availed an eight-year term loan facility amounting to ₱250.0 million with the local affiliated bank. These loans were availed to finance the Group's construction of kitchen facility. The carrying value of the loan as of December 31, 2022 and 2021 amounted to ₱377.3 million and ₱489.2 million, respectively. Interest expense incurred amounted to ₱22.5 million in 2022, ₱34.7 million in 2021 and ₱38.3 million in 2020 (see Notes 11 and 16).

In 2017, the MASCORP availed of two five-year term loans totalling ₱94.2 million with PNB for working capital and to finance the acquisition of ground handling service equipment. The carrying value of the loan as of December 31, 2022 and 2021 amounted to ₱11.2 million and ₱30.7 million, respectively. Interest expense amounted to ₱1.2 million in 2022, ₱1.5 million in 2021 and ₱1.9 million in 2020 (see Notes 11 and 16).

In 2019, MASCORP obtained five-year term loans from PNB amounting to US$3.5 million equivalent to ₱183.6 million and ₱165.0 million payable in 60 equal and successive monthly amortizations commencing at the end of the first month from initial draw down date of the loans. Interest rate is subject to quarterly repricing. These loans were availed to refinance the short-term loans drawn against the omnibus credit line with PNB and for the purchase of various equipment which are mostly ground support equipment for the MASCORP's operations in various stations. The carrying value of the loan as of December 31, 2022 and 2021 amounted to ₱166.6 million and ₱222.5 million, respectively. Interest expense amounted to ₱8.1 million in 2022 and ₱7.3 million in 2021 (see Notes 11 and 16).

The Group also has outstanding short-term loans which amounted to ₱100.0 million and ₱75.0 million as of December 31, 2022 and 2021, respectively (see Note 16).

As of December 31, 2022 and 2021, the accreted value of rental deposit are presented as part of "Other noncurrent liabilities" in the consolidated balance sheets amounting to ₱19.3 million. Accretion of interest (included as part of "Financing charges" account) amounted to ₱2.2 million in 2022, nil in 2021 and ₱1.5 million in 2020 (see Note 22). As of December 31, 2022 and 2021, unearned rent income from nonrefundable deposits amounted to ₱5.5 million.

The following are the transactions among related parties which are eliminated in the consolidated statements of income:

Nature	Revenue and other income recognized by:	Costs and expenses recognized by:	2022	2021	2020
			(In Millions)		
Service fees	MAC	MACS/ MASCORP/BTSI/MAPDC	**₱98.0**	₱–	₱0.5
Land and building rental	MAPDC	MSFI/ SNVRDC	**15.1**	14.5	14.5
Water revenue	MONAD	BTSI	**7.5**	2.3	4.7
Technical management fees	MAPDC	MSFI/ SNVRDC/BTSI/FAA	**0.3**	–	–
Dividend income	MAC	MAATS/ MACS/MASCORP	**10.0**	–	–

The following are the balances among related parties which are eliminated in the consolidated balance sheets:

Nature	Assets recognized by:	Liabilities recognized by:	December 31 2022	2021
			(In Millions)	
Due from/to related parties	MAC	MASCORP/ MACS/ MAPDC/ MAATS/ MMC/AWSI/BTSI/CBRI/FAA/SUM MA/SNVRDC/NAWASCOR	**₱1,799.7**	₱1,888.0
	MACS	MSFI/ MSICS	**307.7**	330.4
	MAPDC	SNVRDC/ BTSI/ NAWASCOR/ MPRDC/ PWRI/ WBSI/ CBRI/ MAATS/ MMC	**307.4**	316.5
	WBSI	CBRI	**10.0**	10.0
	AWSI	MAPDC/ MMC/ MAC	**5.5**	5.5
	MONAD	BTSI/NEWS	**0.1**	0.1
	BTSI	MONAD/NEWS	**58.7**	56.9
	AlliedKonsult	MMC	**1.0**	1.0
	MSIS	MSFI	**4.9**	6.8
	BUMICO	MMC	**4.0**	–
	MAATS	MAC	**5.8**	–
Trade receivables/ payables	MAC	MAC/ MACS/ MAATS/BTSI/MASCORP	**688.8**	570.3
	MACS	MASCORP/ MAC	**0.2**	–
	MAPDC	SNVRDC/ MSFI/ MAC/MAATS	**96.5**	73.6
	BTSI	MONAD/NEWS	**8.0**	2.5
	MAATS	MASCORP	**1.8**	3.9
	AlliedKonsult	CAKSC	**1.1**	1.1
	AWSI	AlliedKonsult, SNVRDC, SWRI	**0.4**	1.5
	SWRI	MAPDC	**0.2**	0.1
	MSFI	CBRI/MAATS/MASCORP/MMC/SWR I	**2.0**	0.8
	MMC	MADECOR/BUMICO	**0.5**	0.4

Compensation of Key Management Personnel
The short-term benefits of the Company's key management personnel amounted to ₱41.8 million in 2022, ₱76.8 million in 2021, and ₱141.8 million in 2020. There are no termination benefits or share-based payments granted to key management personnel.

In accordance with the guidelines and regulations on corporate governance issued by the Philippine SEC and other regulatory bodies, the Group adopted a policy on related party transactions. The material related party transactions policy shall cover transactions meeting the materiality threshold of 10% of the Group's total consolidated assets. All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the BOD with at least a majority of the independent directors voting to approve the material related party transaction.

19. **Revenue**

	2022	2021	2020
Gross service revenue	**₱4,927,514,231**	₱1,956,647,428	₱2,291,281,620
Less discount	**44,006,204**	7,782,773	33,717,848
	₱4,883,508,027	₱1,948,864,655	₱2,257,563,772

Disaggregated Revenue Information
The Group derives its revenue from transfer of goods and services over time and at a point in time, in different product types and within the Philippines.

Set out below are the disaggregation of the Group's revenue and the reconciliation of the revenue from contracts with customers with the amounts disclosed in segment information (see Note 4).

2022

	In-flight and Other Catering*	**Ground Handling and Aviation**	**Administrative***	**Water Treatment and Distribution***	**Mining**	**Total**
Services						
Inflight and other catering	**₱1,454,505,234**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,454,505,234**
Passenger and ramp services	–	**1,803,979,312**	–	–	–	**1,803,979,312**
Cargo handling	–	**191,176,633**	–	–	–	**191,176,633**
Water distribution	–	–	–	**502,794,182**	–	**502,794,182**
Operation and maintenance of STP	–	–	–	**12,215,328**	–	**12,215,328**
Others	**776,276,013**	**54,379,244**	–	–	–	**830,655,257**
	2,230,781,247	**2,049,535,189**	–	**515,009,510**	–	**4,795,325,946**
Goods						
Beverages and dry goods	**57,739,041**	–	–	–	–	**57,739,041**
Administrative fee	–	–	**30,443,040**	–	–	**30,443,040**
Total	**₱2,288,520,288**	**₱2,049,535,189**	**₱30,443,040**	**₱515,009,510**	**₱–**	**₱4,883,508,027**

**In 2022, revenue eliminated in in-flight and other catering, administrative and water treatment and distribution segments amounted to ₱11.2 million, ₱20.9 million and ₱6.7 million, respectively.*

2021

	In-flight and Other Catering*	Ground Handling and Aviation	Administrative*	Water Treatment and Distribution*	Mining	Total
Services						
Inflight and other catering	₱417,844,526	₱–	₱–	₱–	₱–	₱417,844,526
Passenger and ramp services	–	840,431,319	–	–	–	840,431,319
Cargo handling	–	194,787,460	–	–	–	194,787,460
Water distribution	–	–	–	273,909,728	–	273,909,728
Operation and maintenance of STP	–	–	–	3,282,661	–	3,282,661
Others	145,471,665	15,176,009	–	–	–	160,647,674
	563,316,191	1,050,394,788	–	277,192,389	–	1,890,903,368
Goods						
Beverages and dry goods	28,840,515	–	–	–	–	28,840,515
Administrative fee	–	–	29,120,772	–	–	29,120,772
Total	₱592,156,706	₱1,050,394,788	₱29,120,772	₱277,192,389	₱–	₱1,948,864,655

**In 2021, revenue eliminated in in-flight and other catering, administrative and water treatment and distribution segments amounted to ₱14.2 million, ₱13.1 million and ₱2.3 million, respectively.*

2020

	In-flight and Other Catering	Ground Handling and Aviation	Administrative	Water Treatment and Distribution*	Mining	Total
Services						
Inflight and other catering	₱705,371,060	₱–	₱–	₱–	₱–	₱705,371,060
Passenger and ramp services	–	893,800,943	–	–	–	893,800,943
Cargo handling	–	148,224,819	–	–	–	148,224,819
Water distribution	–	–	–	212,933,810	–	212,933,810
Operation and maintenance of STP	–	–	–	8,495,334	–	8,495,334
Exploratory drilling fees	–	–	–	–	4,156,179	4,156,179
Others	222,104,770	15,603,041	–	–	–	237,707,811
	927,475,830	1,057,628,803	–	221,429,144	4,156,179	2,210,689,956
Goods						
Beverages and dry goods	23,403,432	–	–	–	–	23,403,432
Administrative fee	–	–	23,470,384	–	–	23,470,384
Total	₱950,879,262	₱1,057,628,803	₱23,470,384	₱221,429,144	₱4,156,179	₱2,257,563,772

**In 2020, revenue eliminated in water treatment and distribution segments amounted to ₱4.7 million.*

Others include laundry, warehousing and other ancillary services rendered by MACS and MASCORP.

Timing of revenue recognition	**2022**	2021	2020
Goods or services transferred over time	**₱4,853,064,987**	₱1,920,024,140	₱2,234,160,340
Goods transferred at a point in time	**30,443,040**	28,840,515	23,403,432
	₱4,883,508,027	₱1,948,864,655	₱2,257,563,772

Contract Balances

The Group's gross trade receivables amounted to ₱1,748.2 million and ₱1,277.1 million as at December 31, 2022 and 2021, respectively (see Note 6).

As of December 31, 2022 and 2021, the Group's contract assets amounted to ₱80.3 million and ₱94.5 million (see Notes 6 and 15). This includes incremental cost incurred to obtain a contract amounting to ₱64.0 million and ₱78.2 million as of December 31, 2022 and 2021, respectively. The Group does not have contract liabilities as of December 31, 2022 and 2021.

20. Direct Costs and Operating Expenses

Direct costs

	2022	2021	2020
Salaries and wages	**₱1,113,321,101**	₱669,793,188	₱867,551,376
Food (Note 7)	**1,046,466,645**	222,951,235	359,125,545
Contractual services	**481,827,300**	280,481,430	252,788,580
Depreciation and amortization (Notes 11, 13 and 28)	**278,884,665**	278,179,021	249,223,305
Concession privilege fee (Note 29)	**244,123,145**	97,501,363	122,656,569
Rent (Notes 18 and 28)	**131,623,081**	93,886,827	82,163,442
Overhead	**122,576,320**	64,939,399	50,790,827
Supplies (Note 7)	**117,365,162**	62,033,500	38,513,637
Repairs and maintenance	**116,290,316**	42,737,964	89,010,790
Utilities	**88,736,325**	46,630,934	34,606,929
Employee benefits (Note 21)	**52,416,062**	33,668,985	93,233,412
Insurance	**40,541,079**	31,814,349	28,009,718
Laundry	**5,853,773**	2,030,228	2,655,727
Others	**129,732,340**	65,458,936	94,271,258
	₱3,969,757,314	₱1,992,107,359	₱2,364,601,115

Operating expenses

	2022	2021	2020
Selling:			
Advertising and promotions	**₱1,816,505**	₱2,044,665	₱3,869,609
General and administrative:			
Salaries and wages	**221,068,907**	225,524,235	218,923,218
Depreciation and amortization (Notes 11, 13 and 28)	**65,224,915**	60,607,793	64,659,851
Rent (Notes 18 and 28)	**57,712,054**	23,077,157	18,399,466
Repairs and maintenance	**51,597,145**	31,963,558	44,647,242
Taxes and licenses (Note 12)	**41,880,977**	62,614,562	79,872,079
Professional and legal fees	**37,975,146**	70,726,384	42,910,357
Security and janitorial	**31,379,761**	21,670,544	23,937,678
Supplies	**29,173,622**	18,127,789	16,991,605
Utilities	**26,181,795**	18,414,311	15,161,740
Employee benefits (Note 21)	**23,311,133**	12,714,325	128,775,880
Entertainment, amusement and recreation	**12,707,062**	6,297,033	8,752,011
Transportation and travel	**11,189,758**	7,967,688	14,024,730
Insurance	**10,770,848**	9,263,465	5,470,466
Directors' fees	**10,083,821**	12,004,150	12,448,672
Gas and oil	**7,943,055**	5,487,980	5,893,441
Communications	**7,713,373**	8,296,725	8,715,816
Project expenses	**2,782,948**	7,244,254	14,690,404
Mining expenses (Note 14)	**–**	2,261,299	6,250,757
Reversal of impairment on deferred mine exploration costs (Note 14)	**–**	(217,070,925)	–
Provisions for (reversal of) probable losses and ECL (Notes 6 and 8)	**39,106,131**	(21,992,502)	91,115,059
Service fee (Note 29)	**17,780,910**	–	87,703
Others	**85,888,792**	100,348,003	106,059,518
	791,472,153	465,547,828	927,787,693
	₱793,288,658	₱467,592,493	₱931,657,302

Others include quality control related expenses (e.g., hygiene and sanitation), company activities and projects, and personnel training costs.

21. Employee Benefits Costs

Accrued retirement and other employee benefits payable consists of the following:

	2022	2021
Accrued retirement benefits payable	**₱103,027,142**	₱99,696,635
Other employee benefits	**22,581,026**	21,877,773
	₱125,608,168	₱121,574,408

Retirement Benefits Cost

The Group has funded, non-contributory defined benefit group retirement plans, covering all of their permanent employees. The retirement benefit is equal to a certain percentage of the monthly final salary for every year of service. The fund is administered by a trustee bank which is responsible for investment strategy of the plan, in consultation with the Group's Management.

Under the existing regulatory framework, Republic Act No. 7641, *Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The components of retirement benefits cost recognized in profit or loss follow:

	2022	2021	2020
Current service cost	**₱23,627,939**	₱21,989,674	₱83,960,850
Net interest cost	**3,360,664**	9,351,366	4,124,610
Past service cost due to employee reduction	**–**	–	(44,847,817)
Past service cost due to plan amendment	**–**	–	25,005,210
	₱26,988,603	₱31,341,040	₱68,242,853

	2022	2021	2020
Portions recognized in:			
Direct costs (Note 20)	**₱14,462,930**	₱17,676,297	₱50,002,007
Operating expenses (Note 20)	**12,525,673**	13,664,743	18,240,846
	₱26,988,603	₱31,341,040	₱68,242,853

The details of the remeasurement in other comprehensive income are as follows:

	2022	2021	2020
Actuarial gain (loss) on defined benefit obligation arising from changes in:			
Experience adjustments	**(₱11,355,674)**	(₱133,801,915)	₱2,703,424
Demographic assumptions	**(19,191,358)**	170,184,330	–
Financial assumptions	**41,734,652**	105,322,394	(105,195,011)
	11,187,620	141,704,809	(102,491,587)
Remeasurement loss on plan assets	**(5,502,860)**	(3,173,797)	(4,798,796)
Effect of asset ceiling	**1,173,975**	(1,724,292)	–
	6,858,735	136,806,720	(107,290,383)
Tax effect	**(693,169)**	(3,987,221)	24,335,667
	₱6,165,566	₱132,819,499	(₱82,954,716)

The details of the accrued retirement benefits payable, net of pension assets, are as follows:

	2022	2021
Present value of defined benefit obligation	**₱188,073,075**	₱169,613,284
Fair value of plan assets	**(90,345,452)**	(92,665,479)
	97,727,623	76,947,805
Effect of asset ceiling	**1,002,769**	1,724,292
	₱98,730,392	₱78,672,097

Movements in accrued retirement benefits payable and pension asset follow:

	2022		2021	
	Accrued retirement benefits payable	**Pension asset** (Note 15)	Accrued retirement benefits payable	Pension asset (Note 15)
Beginning balance	**₱99,696,635**	**₱21,024,539**	₱220,392,633	₱1,200,703
Retirement benefits cost recognized in profit or loss	**19,406,301**	**(7,582,302)**	21,965,338	(9,375,702)
Remeasurements in other comprehensive income	**(12,559,208)**	**(5,700,473)**	(74,252,777)	62,553,943
Contributions	**(3,000,000)**	–	(33,700,000)	1,000,000
Benefits directly paid by the Company	**(516,586)**	–	(354,154)	–
Reclassification	–	–	(34,354,405)	(34,354,405)
Ending balance	**₱103,027,142**	**₱7,741,764**	₱99,696,635	₱21,024,539

Changes in present value of defined benefit obligation are as follows:

	2022	2021
Beginning balance	**₱169,613,284**	₱358,273,209
Current service cost	**23,627,939**	21,989,674
Interest cost	**7,633,942**	13,548,480
Actuarial loss (gain) on retirement obligation	**(11,045,582)**	(141,704,809)
Benefits directly paid from company's fund	**(188,859)**	–
Benefits paid out of the Group’s plan assets	**(1,567,649)**	(82,493,270)
Ending balance	**₱188,073,075**	₱169,613,284

Changes in fair value of plan assets are as follows:

	2022	2021
Beginning balance	**₱89,572,664**	₱139,081,279
Interest income on plan assets	**4,373,532**	4,197,114
Contributions to the plan	**3,000,000**	34,700,000
Benefits paid	**(1,097,884)**	(82,139,117)
Remeasurement loss on plan assets	**(5,502,860)**	(3,173,797)
Ending balance	**₱90,345,452**	₱92,665,479
Actual return on plan assets	**₱97,727,623**	₱1,023,317

The major categories of plan assets are as follows:

	2022	2021
Cash and cash equivalents	**₱3,087,101**	₱5,905,161
Debt instruments - government securities	**86,401,609**	85,863,715
Receivables and others	**856,742**	896,603
	₱90,345,452	₱92,665,479

The plan assets have diverse investments and do not have any concentration risk.

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining retirement benefits cost and obligations as of January 1 are shown below.

	2022	2021
Average discount rates	**5.14%**	3.79%
Average future salary increases	**3.0%**	6.92%

The average discount rate and future salary increase as of December 31, 2022 is 7.25% and 3.00%, respectively.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the present value of defined benefit obligation as of December 31, assuming all other assumptions were held constant:

Assumptions:	2022	2021
Discount rate:		
+100 basis points	**(₱14,205,366)**	(₱12,312,465)
-100 basis points	**16,312,090**	14,152,021
Salary increase rate:		
+100 basis points	**16,854,071**	14,294,577
-100% basis points	**(14,881,138)**	(12,645,821)

There were no changes in the methods and assumptions from the previous periods used in preparing the sensitivity analysis.

Shown below is the maturity analysis of the undiscounted benefit payments:

Date of retirement:	2022	2021
1 year and less	**₱–**	₱52,844,369
More than 1 year to 5 years	**131,567,555**	100,013,412
More than 5 years	**195,597,957**	105,714,582

Additional funding is expected to be contributed in 2023. The Group does not currently employ any asset-liability matching strategies.

Other employee benefits

Employees can accumulate earned leave credits, which can be used anytime when needed by the employee or converted to cash, computed based on the employee's final rate upon separation (i.e., resignation or retirement). Accumulated leave credits are presented as "Other employee benefits" which amounted to ₱22.6 million and ₱21.8 million as of December 31, 2022 and 2021, respectively. Provision for (reversal of) accumulating leave credits amounted to ₱0.7 million, (₱15.4 million) and ₱10.8 million in 2022 and 2021 and 2020 respectively.

22. **Other Income (Charges)**

a. Interest income was derived from:

	2022	2021	2020
Cash and cash equivalents (Notes 5 and 18)	**₱1,551,961**	₱2,047,795	₱7,245,031
Installment receivables (Note 6)	**–**	738,887	1,349,571
Accretion of refundable deposits (Note 18)	**2,350,302**	–	953,367
	₱3,902,263	₱2,786,682	₱9,547,969

b. Financing charges pertain to:

	2022	2021	2020
Notes payable and long-term debts (Notes 16 and 18)	**₱94,062,806**	₱86,072,570	₱105,134,587
Lease liabilities (Note 28)	**52,687,133**	41,259,528	25,934,673
Accretion of refundable deposits (Note 18)	**2,204,846**	–	1,455,230
Others	**–**	32,377,595	–
	₱148,954,785	₱159,709,693	₱132,524,490

Other financing charges pertain to the interest charged for the late payment of rental charges, repairs and maintenance and settlement of tax assessment.

c. Other income consist of:

	2022	2021	2020
Construction revenue (Note 13)	**₱442,145**	₱222,242	₱2,387,242
Construction costs (Note 13)	**(442,145)**	(222,242)	(2,387,242)
Connection and reconnection fees	**1,626,869**	1,286,383	1,321,062
Others - net	**104,842,226**	84,314,475	50,685,709
	₱106,469,095	₱85,600,858	₱52,006,771

Others include management fee charged to an associate amounting to ₱25.6 million, ₱52.8 million, and ₱22.1 million in 2022, 2021 and 2020, respectively (see Note 18), and items that are individually immaterial.

23. Foreign Currency-denominated Monetary Assets and Liabilities

The Group's foreign currency-denominated monetary assets and liabilities as of December 31 are as follows:

	2022		2021	
	US Dollar	**Total Peso Equivalent**	US Dollar	Total Peso Equivalent
Assets				
Cash and cash equivalents	**$3,441,632**	**₱192,355,470**	$20,169,863	₱1,028,461,314
Receivables	**4,117,752**	**223,312,454**	3,699,964	188,661,164
	7,559,384	**415,667,924**	23,869,827	1,217,122,478
Liabilities				
Accounts payable and accrued liabilities (Note 17)	**588,558**	**32,821,234**	219,397	11,187,053
Notes payable and long term debts (Note 16)	**1,819,214**	**101,430,296**	2,868,833	146,281,795
	2,407,772	**134,251,530**	3,088,230	157,468,848
Net foreign currency-denominated assets	**$5,151,612**	**₱281,416,394**	$20,781,597	₱1,059,653,630

As of December 31, 2022 and 2021, the exchange rates of the Peso to US$ dollar were ₱55.76 and ₱50.99 to US$1, respectively.

24. Registration with the Philippine Economic Zone Authority (PEZA), Mactan Cebu International Airport Authority (MCIAA) and Subic Bay Metropolitan Authority (SBMA)

The Group, through MASCORP and MAPDC, is registered with the PEZA and has commercial operations as the Ecozone Developer/Operator of the MacroAsia Special Ecozone at the Ninoy Aquino International Airport (NAIA) and at Mactan Cebu International Airport (MCIA). MacroAsia Special Ecozone is the only existing ecozone within NAIA.

In 2018, the Group, through FAA, was issued Certificate of Registration and Tax Exemption and was granted rights, privileges and benefits as a Subic Bay Freeport Enterprise in accordance with Republic Act No. 7227, Bases Conversion and Development Act of 1992, the rules of authority bestowed on the SBMA.

Under the terms of their registrations, the Group is entitled to certain tax benefits provided for under relevant rules and regulations which include, among others, exemption from payment of all national internal revenue taxes and all local government imposed fees, licenses or taxes. In lieu thereof, MAPDC and FAA shall pay a 5% final tax on gross income earned from their operations within the special tax zones.

25. Income Taxes

a. The current provision for income tax is as follows:

	2022	2021	2020
RCIT	**₱58,083,209**	₱8,062,848	₱5,942,539
MCIT	**5,356,892**	6,008,602	2,510,423
Final tax on interest	**38,643**	18,236	692,053
5% final tax on gross income	**267,973**	489,697	3,762
	₱63,746,717	₱14,579,383	₱9,148,777

The Parent Company's and subsidiaries' net deferred income tax assets (liabilities) as of December 31 are as follows:

	2022		2021	
	Net Deferred Income Tax Assets	**Net Deferred Income Tax Liabilities**	Net Deferred Income Tax Assets	Net Deferred Income Tax Liabilities
Recognized directly in the consolidated statements of income:				
Deferred income tax assets on:				
NOLCO	**₱75,019,099**	**₱–**	₱101,934,935	₱–
Allowances for:				
ECL	**5,267,730**	**–**	16,154,016	–
Probable losses	**7,004,735**	**–**	7,004,735	–
Accrued retirement benefits payable and other employee benefits	**15,110,893**	**–**	10,789,884	–
Accrued expenses	**32,759,923**	**–**	11,869,354	–
Lease liabilities	**13,848,886**	**–**	6,627,990	1,456,584
Unamortized past service cost	**1,658,012**	**–**	1,877,812	–
	150,669,278	**–**	156,258,726	1,456,584
Deferred income tax liabilities on:				
Contract assets	**(4,127,494)**	**–**	(5,321,011)	–
Unrealized foreign exchange gain	**(30,853,605)**	**–**	(183,594)	**–**
Right-of-use assets	**–**	**(13,214,693)**	–	(9,285,898)
Fair value adjustment on property, plant and equipment as a result of business combination	**–**	**(119,740,201)**	–	(119,740,201)
	(34,981,099)	**(132,954,894)**	(5,504,605)	(129,026,099)
Recognized directly in equity:				
Net deferred income tax assets on:				
Fair value changes of equity investments designated as FVTOCI	**–**	**11,880,000**	–	2,250,000
Remeasurement loss	**–**	**25,840,940**	15,710,461	7,507,913
	–	**37,720,940**	15,710,461	9,757,913
	₱115,688,179	**(₱95,233,954)**	₱166,464,582	(₱117,811,602)

b. As of December 31, the deductible temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized in the consolidated balance sheets are as follows:

	2022	2021	2020
Deductible temporary differences on:			
NOLCO	**₱1,113,043,232**	₱620,329,857	₱846,716,039
Accrued retirement benefits payable	**77,539,990**	31,327,649	85,996,260
MCIT	**6,682,847**	13,250,095	10,311,475
Unrealized foreign exchange losses	**(824,004)**	4,233,040	–
Allowance for expected credit losses	**(1,267,109)**	8,947,585	–
Allowances for probable losses - Deferred mine exploration costs	–	–	217,070,924
Accrued rental expense	**1,433,157**	2,113,633	7,468,279

The Group did not recognize deferred income tax assets on these temporary differences, NOLCO and MCIT as management believes that certain companies in the Group may not have sufficient taxable income against which these temporary differences and NOLCO can be used or RCIT payable against which the MCIT can be applied.

c. On September 11, 2020, the President signs into law the “Bayanihan to Recover as One Act” or “Bayanihan 2”, an Act in response to COVID-19 to accelerate the recovery and bolster the resiliency of the Philippine economy.

Unless otherwise disqualified from claiming the deduction, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five consecutive taxable years immediately following the year of such loss.

d. Details of NOLCO is as follows:

Year Incurred	Available Until	Available NOLCO	Tax Effect
2022	2025	₱1,188,796,312	₱297,199,078
2021	2026	575,248,629	143,812,157
2020	2025	452,820,968	135,846,290

The Group has incurred NOLCO in 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act.

e. Details of excess of MCIT over RCIT as of December 31, 2022 are as follows:

Period/Year Incurred	Balance at Beginning of Year	Additions	Expired	Balance at End of the Year	Available Until
2022	₱–	₱6,692,735	₱–	₱6,692,735	2025
2021	₱7,403,299		–	7,403,299	2024
2020	1,488,826	–	–	1,488,826	2023
2019	4,357,970	–	(4,357,970)	–	2022
	₱13,250,095	₱6,692,735	(₱4,357,970)	₱15,584,860	

f. The reconciliation of the provision for (benefit from) income tax at the statutory tax rates to the provision for income tax as shown in the consolidated statements of income is as follows:

	2022	2021	2020
Provision for (benefit from) income tax computed at the statutory tax rate	**₱138,564,576**	(₱60,697,484)	(₱542,853,134)
Adjustments resulting from:			
Share in net loss (earnings) of associates	**(117,711,977)**	(79,457,125)	191,942,324
Movements in deductible temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized	**83,664,378**	39,856,585	193,005,297
Interest income already subjected to final tax at lower rates or not subject to income tax	**(98,763)**	(24,109)	(827,419)
Effect of change in rate (impact of CREATE)	**–**	5,142,637	–
Others	**(11,593,985)**	3,314,548	149,431,770
Provision for (benefit from) income tax	**₱92,824,229**	(₱91,864,948)	(₱9,301,162)

g. The President of the Philippines signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic corporations.
- For domestic corporations with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

26. Basic/Diluted Earnings (Loss) Per Share

Basic/diluted earnings per share are computed as follows:

	2022	2021	2020
Net income (loss) attributable to equity holders of the Company	**₱446,084,259**	(₱2,162,245)	(₱1,587,308,157)
Divided by weighted average number of common shares outstanding*	**1,896,186,265**	1,896,186,265	1,896,186,265
	₱0.235	(₱0.001)	(₱0.837)

**Computed as if the issuance of shares of stock of 315,159,739, and 368,146,293 shares declared in 2020 and 2018, respectively resulting from 20% and 30% stock dividends, respectively, have been recognized since January 1,2018.*

There are no potential common shares with dilutive effect on the basic earnings (loss) per share in 2022, 2021 and 2020.

27. **Equity**

Capital stock

a. Track record of registration of securities

On August 30, 1974, the Philippine SEC authorized the registration and licensing of the Company's securities with total par value of ₱20.0 million divided into 2,000,000,000 shares with a par value of ₱0.01 per share.

On December 10, 1993, the Company amended its articles of incorporation, increasing the par value of its shares from ₱0.01 per share to ₱1.00 per share.

On March 22, 2000, the Philippine Stock Exchange (PSE) authorized to list the Company's 750,000,000 shares, with a par value of ₱1.00 per share and 500,000,000 warrants divided into the following:

i. 250,000,000 shares to cover the 1:4 stock rights offering to stockholders of record as of April 12, 2000 at an offer price of ₱2.00 per share;
ii. 500,000,000 warrants to cover the 2:1 warrants offering attached to and detachable from the rights shares at a subscription price of ₱0.10 per warrant; and
iii. 500,000,000 shares to cover the underlying shares of warrants at an exercise price of ₱6.00 per share. Actual listing of the underlying common shares of the warrants shall take effect upon the exercise of the warrants.
iv. All warrants expired in 2005.

MAC's shares are listed and traded at the PSE and the number of holders of its common equity as of December 31, 2022 and 2021 is 845 and 843, respectively.

b. The Company's authorized capital stock is 2,000,000,000 shares with ₱1 per share. Movements in the Company's issued, treasury and outstanding shares are as follows:

	Issued	Treasury	Outstanding
As of December 31, 2010	1,250,000,000	(2,985,000)	1,247,015,000
Acquisition of treasury shares in 2011	–	(7,486,000)	(7,486,000)
As of December 31, 2011	1,250,000,000	(10,471,000)	1,239,529,000
Acquisition of treasury shares in 2012	–	(6,125,000)	(6,125,000)
As of December 31, 2012	1,250,000,000	(16,596,000)	1,233,404,000
Acquisition of treasury shares in 2013	–	(6,249,600)	(6,249,600)
As of December 31, 2015, 2016 and 2017	1,250,000,000	(22,845,600)	1,227,154,400
Stock dividend declaration	368,146,293	–	368,146,293
Acquisition of treasury shares in 2018	–	(3,949,100)	(3,949,100)
As of December 31, 2018	1,618,146,293	(26,794,700)	1,591,351,593
Acquisition of treasury shares in 2019	–	(12,845,600)	(12,845,600)
As of December 31, 2019	1,618,146,293	(39,640,300)	1,578,505,993
Acquisition of treasury shares in 2020		(2,707,300)	(2,707,300)
Stock dividend declaration	315,159,630	–	315,159,630
As of December 31, 2022, 2021 and 2020	1,933,305,923	(42,347,600)	1,890,958,323

Retained earnings

c. Restriction on retained earnings

The retained earnings as of December 31 is restricted for dividend declaration for the portion equivalent to the following:

- Undistributed earnings of subsidiaries and equity in net earnings of associates amounting to ₱850.0 million as of December 31, 2022 and 2021.
- Cost of treasury shares amounting to ₱459.4 million as of December 31, 2022 and 2021.
- Deferred income tax assets amounting to ₱150.7 million and ₱157.7 million as of December 31, 2022 and 2021, respectively.

d. Appropriation and reversal of appropriation of retained earnings

Appropriated retained earnings as of December 31, 2022 and 2021 amounted to ₱850.0 million.

e. Dividends declared by the Parent Company from the unappropriated retained earnings are as follows:

Type	Date Approved	Per share	Stockholder of Record Date	Date of Payment
Stock	July 17, 2020	20%	August 14, 2020	September 11, 2020
Cash	March 14, 2019	₱0.20	April 12, 2019	May 10, 2019
Stock	July 20, 2018	30%	August 17, 2018	September 12, 2018
Cash	December 13, 2017	₱0.14	January 5, 2018	January 31, 2018
Cash	December 14, 2016	₱0.08	January 6, 2017	February 1, 2017

f. Cash dividends received by non-controlling interest are as follows:

Entity	Date Declared	Amount	Per share	Dividends attributable to non-controlling interest (SATS)
MACS	December 27, 2019	₱80,000,000	₱64.0	₱26,400,000
MACS	December 6, 2018	75,000,000	60.0	24,750,000
MACS	November 28, 2017	70,000,000	56.0	23,100,000
MACS	December 8, 2016	50,000,000	40.0	16,500,000

As of December 31, 2022 and 2021, ₱32.0 million remained outstanding and presented as "Dividends payable" in the consolidated balance sheets.

Treasury shares

g. Treasury stock

On March 14, 2019, the Parent Company's BOD approved the additional funding of ₱200.0 million for the 2017 Share Buyback Program of the Corporation.

On June 15, 2017, the Parent Company's BOD approved to allot ₱210.0 million to repurchase shares of the Parent Company at market price. The mechanics of the 2017 Buyback Program is similar to the ₱50.0 million buyback program implemented in 2010. The Program commenced on June 20, 2017 and will run until the ₱210.0 million pesos authorized cash outlay is fully utilized, or until such time that the Parent Company's BOD may direct, subject to appropriate disclosures to the PSE and the Philippine SEC.

On July 16, 2010, the Parent Company's BOD approved the Share Buyback Program (the Program) involving a total cash outlay of ₱50.0 million for the repurchase of the outstanding common shares of the Parent Company from the market, using the trading facilities of the PSE. The Program will not involve any active or widespread solicitation for stockholders to sell. Repurchase of shares of stock will be done during the period of the Program at such prices perceived by the Company to be lower than the inherent value of the share. The Program will run until the ₱50.0 million authorized cash outlay is fully utilized or until such time that the Company's BOD may direct, subject to appropriate disclosures to the PSE and the Philippine SEC.

As of December 31, 2022 and 2021, the Parent Company's cost and number of shares held in treasury are as follows:

Cost	₱459,418,212
Number of shares held in treasury	42,347,600

Other reserves

h. The sale of 250,001 shares representing 20% of the total issued and outstanding capital stock of MASCORP to Konoike amounting to ₱1.1 billion (JPY 2.3 billion) was accounted for as a sale of share in subsidiary without loss of control, thus an equity transaction. The excess of consideration received over the carrying amount of the non-controlling interests amounted to ₱886.8 million, which is presented as part of "Other reserves" in the equity section of the consolidated balance sheets.

i. In December 2015, the Group, through MAPDC, entered into a share purchase agreement with a third party wherein WBSI shall be owned by MAPDC and the third party at 51% and 49%, respectively. The transaction was accounted for as a sale of share in subsidiary without loss of control; thus an equity transaction. The excess of consideration received over the carrying amount of the non-controlling interests amounted to ₱24.3 million, which is presented as part of "Other reserves" in the equity section of the consolidated balance sheets.

   In August 2020, a third party has entered into a deed of absolute sale of shares wherein WBSI shall now be fully owned by MAPDC. The transaction between parent and non-controlling interest is accounted for as an equity transaction. The excess of consideration paid over the Company amount of the non-controlling interests amounted to ₱27.0 million, which is presented as reduction to "Other reserves" in the equity section of the consolidated balance sheets.

j. In July 2015, the Company signed a Sale and Purchase Agreement with SATS to sell 162,500 shares representing 13% of the total issued and outstanding capital stock of MACS. After the sale, MACS is 33% owned by SATS. The excess of consideration received over the carrying amount of the non-controlling interests amounted to ₱119.0 million, which is presented as part of "Other reserves" in the equity section of the consolidated balance sheets.

28. **Leases**

The Group has various operating lease agreements with airport authorities for its catering and ground handling operations and with a third party lessor for the Group's office spaces and land. The Group also has land subleased to an associate and accounted for as net investment in the lease. Leases of office space between 5 and 35 years, while land generally have lease terms between 5 and 50 years.

The Group has certain lease of land with lease term of 12 months or less that the Group applies the 'short-term lease' exemptions for these leases.

Set out below is the carrying amount of the net investment in the lease recognized and the movements during the period:

	2022	2021
At January 1	**₱1,177,554,081**	₱1,175,652,748
Accretion (payment) of interest	**(5,010,575)**	1,901,333
At December 31	**₱1,172,543,506**	₱1,177,554,081

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	2022				
	Land	**Office space**	**Land and office space**	**Water facility**	**Total**
Cost					
At January 1	**₱496,795,403**	**₱60,431,856**	**₱37,032,831**	**₱473,943,912**	**₱1,068,204,002**
Additions	**–**	**17,862,935**	**–**	**–**	**17,862,935**
At December 31	**496,795,403**	**78,294,791**	**37,032,831**	**473,943,912**	**1,086,066,937**
Accumulated Depreciation and Amortization					
At January 1	**(108,320,336)**	**(39,396,576)**	**(15,746,375)**	**(13,823,364)**	**(177,286,651)**
Depreciation	**(23,069,003)**	**(10,262,382)**	**(4,064,885)**	**(23,697,196)**	**(61,093,466)**
At December 31	**(131,389,339)**	**(49,658,958)**	**(19,811,260)**	**(37,520,560)**	**(238,380,117)**
Net Book Value	**₱365,406,064**	**₱28,635,833**	**₱17,221,571**	**₱436,423,352**	**₱847,686,820**

	2021				
	Land	Office space	Land and office space	Water facility	Total
Cost					
At January 1	₱496,795,403	₱60,431,856	₱37,032,831	₱–	₱594,260,090
Additions	–	–	–	473,943,912	473,943,912
At December 31	496,795,403	60,431,856	37,032,831	473,943,912	1,068,204,002
Accumulated Depreciation and Amortization					
At January 1	(85,251,333)	(34,808,773)	(11,681,489)	–	(131,741,595)
Depreciation	(23,069,003)	(4,587,803)	(4,064,886)	(13,823,364)	(45,545,056)
At December 31	(108,320,336)	(39,396,576)	(15,746,375)	(13,823,364)	(177,286,651)
Net Book Value	₱388,475,067	₱21,035,280	₱21,286,456	₱460,120,548	₱890,917,351

The following are the amounts recognized in the consolidated statements of income:

	2022	2021	2020
Depreciation expense of right-of-use assets (Note 20)	**₱61,093,466**	₱45,545,056	₱37,048,494
Interest expense on lease liabilities (Note 22)	**49,122,009**	41,259,528	25,934,673
Expenses relating to short-term leases (Note 20)	**189,335,135**	116,963,984	100,562,908
Total amount	**₱299,550,610**	₱203,768,568	₱163,546,075

The rollforward analysis of lease liabilities follows:

	2022	2021
At January 1	**₱2,152,712,498**	₱1,700,984,700
Additions	**17,862,935**	473,943,912
Interest expense (Note 22)	**52,678,133**	41,259,528
Payments	**(112,006,096)**	(63,475,642)
As at December 31	**2,111,247,470**	2,152,712,498
Current portion	**40,657,306**	15,607,124
Noncurrent portion	**₱2,070,590,164**	₱2,137,105,374

29. Significant Agreements and Commitments

Concession Agreements

The Group has concession agreements with MIAA, CAAP, LIPAD and GMR-Megawide Cebu Airport Corporation (“GMCAC”) (the airport authorities) to exclusively operate within the airport authorities’ premises at NAIA Terminal 1, 2 and 3, Davao, Clark and Cebu, respectively. The Group pays the airport authorities a monthly concession privilege fee equivalent to 7% of monthly gross revenue on catering services and groundhandling services, except Clark which is 4.9% of the gross revenue. For GMCAC, CPF is 7% and 10% effective July 1, 2018 for ground handling services rendered for the domestic and international flights, respectively.

Concession privilege fee amounted to ₱242.2 million, ₱97.5 million and ₱122.7 million in 2022, 2021 and 2020, respectively, which is presented under “Direct Costs” (see Note 20).

Leases

In 1997, MAC assigned all of its rights and obligations to MACS under the lease agreement it entered in the same year with MIAA for the use of a parcel of land where the catering concession facilities are located. The lease contract was for a period of 10 years from the start of the construction of the facilities, renewable every five years under such terms and conditions as may be agreed upon by both parties. Upon expiration of the lease agreement, both parties mutually agreed to continue the lease on a renewable, short-term basis using the terms in effect during the last year that the original lease agreement was in force.

The original lease contract between MACS and MIAA expired in July 2008. One of the provisions of the lease agreement is that MACS will transfer to MIAA all permanent improvements which MACS might have constructed in the leased premises upon the expiration of the original lease or upon cancellation of the lease agreement.

In 2004, the Supreme Court (SC) issued a decision declaring the current rental charges of MIAA at ₱35.55 per square meter (the current rate) as null and void, resulting into the applicability of the lower rental rates issued by MIAA in prior years, to be adjusted prospectively only until new lease rates are published by MIAA. MACS was paying the nullified rates from 1997 until August 2013, notwithstanding the SC's ruling on the validity of such rate in 2004.

In 2010, MIAA published their new rates for areas within the airport premises. In June 2010, notwithstanding the excess rental payments made by MACS in previous years, MIAA claimed from MACS an amount totaling ₱29.3 million, computed based on the new lease rates and retroactively computed with interest from February 7, 2007 (the expiration of the original lease agreement). In February 2023, the Group issued a letter to MIAA to resolve the issue and proposed to settle the estimated unpaid claims in the previous years. MACS recognizes additional provision amounting to Php43.7 million (inclusive of VAT and interest) in 2022 as this is considered a subsequent event.

MACS' current contract with MIAA is for the period June 1, 2021 to May 31, 2024. This is the fifth renewal of the original lease agreement entered in 2013 with an initial term of three years renewable every third year. Future minimum lease payment for this lease agreement, all maturing within two years, amounted to ₱17.0 million and ₱7.1. million in 2023 (full year) and 2024 (five months), respectively.

In 2022 and 2021, lease expense relating to this lease agreement is included in "Other overhead" under "Costs of catering revenue" amounting to ₱3.7 million and "Operating expenses" amounting to ₱11.0 million in profit or loss.

Service Fee Agreement
The Group has a service fee agreement with SATS, the 33% owner of MACS. Service fee amounted to ₱14.9 million, ₱0.1 million and ₱0.1 million in 2022, 2021 and 2020, respectively (see Note 20).

Outstanding payable to SATS amounted to ₱70.7 million and ₱58.0 million as of December 31, 2022 and 2021, respectively (see Note 17).

Waterworks System Agreements
The Group has Memorandum of Agreements (Agreements) with various government municipalities to design, construct, commission and maintain a new and complete waterworks system, particularly in Mabini Pangasinan, Solano, Nueva Vizcaya and Naic, Cavite. The Agreements commenced in 2013, 2015 and 2017, and are for a period of 25 years to 40 years, as applicable, subject to renewal based on the provisions of the Agreements.

Certificate of Public Convenience (CPC)
BTSI is a holder of CPC, which allows BTSI to install, operate and maintain waterworks systems in certain barangays in Malay, Aklan. The CPC was granted by National Water Resources Board (NWRB) in 2014 and is valid until July 2017. In 2017, BTSI's CPC was renewed with validity until July 18, 2022.

Exploratory Service Agreements
MMC has various service agreements with third parties, wherein MMC will undertake exploratory drilling and sampling of nickel laterite services on the third parties, mining tenements.

Revenue recognized amounted to nil in 2022, 2021 and ₱4.16 million in 2020 (see Note 19).

30. **Capital Management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders repurchase or issue new shares. The Group is not subject to externally imposed capital requirements as of December 31, 2022 and 2021. Further, no changes were made in the objectives, policies or processes for each of the three years in the period ended December 31, 2022.

The Group monitors capital vis-à-vis after tax profit. The Group also monitors the return on equity ratio. Equity considered by the Group is total equity in the consolidated balance sheets, excluding items arising from other comprehensive income. The return on equity ratio is computed by dividing the after tax profit by total capital.

The following summarizes the total capital considered by the Group and the computation of the return on equity:

	2022	2021
Capital stock	**₱1,933,305,923**	₱1,933,305,923
Additional paid-in-capital	**281,437,118**	281,437,118
Retained earnings	**2,626,463,313**	2,180,379,054
Treasury shares	**(459,418,212)**	(459,418,212)
	₱4,381,788,142	₱3,935,703,883
Net income (loss)	**₱461,434,075**	(₱150,924,987)
Return on equity	**10.53%**	(3.83%)

31. **Financial Risk Management Objectives and Policies**

Risk Management Structure

Audit Committee

The Committee performs oversight role on financial management functions especially in the areas of managing credit, market, liquidity, operational, legal and other risks of the Group.

Risk Management Committee

The Committee assists the BOD in identifying and assessing the various risks to which the Group is exposed to. The Committee also ensures that the Group's management has implemented a process to identify, manage and report on the risks that might prevent the Group from achieving its strategic objectives.

BOD

The BOD is responsible for the overall risk management approach and for approval of risk strategies and principles of the Group.

Financial Risk Management

The Group's principal financial instruments comprise cash and cash equivalents and some external liabilities which were availed of primarily to fund operations. The Group has other financial assets and financial liabilities such as trade receivables and payables which arise directly from operations.

The main risks, arising from the Group's financial instruments are foreign currency risk, credit risk, interest rate risk and liquidity risk. The BOD reviews and approves policies for managing these risks and they are summarized as follows:

Foreign currency risk
The Group's transactional currency exposure arises from sales in currencies other than its functional currency and retaining its cash substantially in currency other than its functional currency. Approximately an average of 16% and 19% of Group's revenue are denominated in US$ in 2022 and 2021, respectively. In addition, the Group closely monitors the foreign exchange rates fluctuations and regularly assesses the impact of future foreign exchange movements on its operations. Foreign currency monetary assets and liabilities are disclosed in Note 23.

The table below demonstrates the impact on the Group's income before income tax and equity of reasonably possible changes in the US$, with all other variables held constant.

	Movement in US$	Increase (decrease) in income before income tax
		(In millions)
2022	Increase of 5.0%	**₱40.0**
	Decrease of 5.0%	**(40.0)**
2021	Increase of 5.0%	20.5
	Decrease of 5.0%	(20.5)
2020	Increase of 5.0%	23.5
	Decrease of 5.0%	(23.5)

The Group reported net foreign exchange gain (loss) of ₱1.5 million in 2022, ₱21.5 million in 2021, and (₱60.0 million) in 2020 (see Note 23).

Credit and concentration risk
Credit risk is the risk that the Group will incur a loss because its customers or counterparties failed to discharge their contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

The Group trades only with related parties and duly evaluated and approved creditworthy third parties. It is the Group's policy that all customers and counterparties that wish to trade with the Group, particularly on credit terms, are subjected to credit verification procedures. In addition, receivable balances are monitored on a continuous basis. The Group has major concentration of credit risk given that the majority of the Group's cash and cash equivalents are deposited in the local affiliated bank and major customers of MASCORP and MSISC include PAL and APC. Management assessed and believes that the carrying amount of the trade receivable from related parties are collectible and that the Group is not exposed to any significant risk since these companies are related parties. Further, the local affiliated bank is one of the country's reputable banks.

With respect to credit risk arising from financial assets, the Group's exposure arises from default of the counterparty, with a maximum exposure equal to the carrying values of these instruments. The Group only deals with financial institutions that have been approved by the BOD of the Company and those of its subsidiaries. The Group does not require any collateral and other credit enhancements. Consequently, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance).

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

a. *Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.
b. *Exposure at default (EAD)* is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
c. *Loss given default (LGD)* is an estimate of the loss arising in the case where a default occurs at a given time.

For cash in bank, the Group applies the low credit risk simplification where the Group measures the ECLs on a 12-month basis based on the probability of default and loss given default which are publicly available. The Group also evaluates the credit rating of the bank and other financial institutions to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For trade and other receivables, an impairment analysis is performed at each reporting date using a provision matrix, however for customers with significant increase in risks of default general approach is used to measure ECLs. The provision rates are based on days past due for groupings of customer segments with similar loss patterns. On the other hand, for general approach, the Group determines the cash shortfall for the difference between the average monthly collection and the average current monthly service billing. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- Gross Domestic Product (GDP) growth rates
- Unemployment rates
- Inflation rates
- Interest rates
- Foreign currency exchange rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Based on the Group's credit risk experience, expected credit loss rate increases as the age of the receivables increase.

The aging per class of financial assets and contract assets, and the expected credit loss follows:

December 31, 2022

		Past Due but not Impaired					
	Current	Less than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days	ECL	Total, net of ECL
Financial assets							
Cash in banks*	**₱464,190,890**	₱–	₱–	₱–	₱–	₱–	**₱464,190,890**
Trade receivables	**848,099,139**	217,217,428	131,523,714	73,147,452	472,981,186	(9,286,401)	**1,733,682,518**
Advances to officers and employees	**20,329,079**	–	–	–	–	–	**20,329,079**
Other receivables	**150,806,275**	–	–	–	–	–	**150,806,275**
Interest receivable	**4,061,901**	–	–	–	–	–	**4,061,901**
Deposits	**45,669,001**	–	–	–	–	–	**45,669,001**
Restricted cash investment	**7,181,182**	–	–	–	–	–	**7,181,182**
Contract assets	**16,066,897**	–	–	–	–	–	**16,066,897**
Installment receivables	**20,525,972**	–	–	–	–	–	**20,525,972**
Finance lease receivable	**16,643,767**	–	–	–	–	–	**16,643,767**
Total	**₱1,593,574,103**	**₱217,217,428**	**₱131,523,714**	**₱73,147,452**	**₱472,981,186**	**(₱9,286,401)**	**₱2,479,157,482**

**Exclusive of cash on hand amounting to ₱3,827,843*

December 31, 2021

		Past Due but not Impaired					
	Current	Less than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days	ECL	Total, net of ECL
Financial assets							
Cash in banks*	₱499,815,339	₱–	₱–	₱–	₱–	₱–	₱499,815,339
Trade receivables	329,069,562	103,420,055	53,256,843	117,565,113	737,279,779	(63,445,608)	1,277,145,744
Advances to officers and employees	14,705,570	–	–	–	–	–	14,705,570
Other receivables	120,043,634	–	–	–	–	–	120,043,634
Interest receivable	3,251,087	–	–	–	–	–	3,251,087
Deposits	40,315,667	–	–	–	–	–	40,315,667
Restricted cash investment	7,181,182	–	–	–	–	–	7,181,182
Contract assets	16,300,671	–	–	–	–	–	16,300,671
Installment receivables	34,598,848	–	–	–	–	–	34,598,848
Finance lease receivable	18,202,785	–	–	–	–	–	18,202,785
Total	₱1,083,484,346	₱103,420,055	₱53,256,843	₱117,565,113	₱737,279,779	(₱63,445,608)	₱2,031,560,526

**Exclusive of cash on hand amounting to ₱3,832,499*

Impairment assessment
The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Group assesses impairment on an individual account basis for all stage 3 assets, regardless of the class of financial assets. Stage 1 and stage 2 assets are assessed on a collective basis.

Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support and the realizable value of collateral, and the timing of the expected cash flows. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention even at interim.

Credit quality per class of financial assets
The credit quality of financial assets is managed by the Group using internal credit ratings. The Group considers its cash and cash equivalents (including restricted cash investment) as high grade since these are placed in financial institutions of high credit standing. Accordingly, ECLs relating to cash and cash equivalents rounds to zero. The Group considers its advances to officers and employees as standard grade as collectability is assured through salary deduction. Accordingly, the LGD is considered low; thus, no ECLs are recognized on the advances to employees.

Interest rate risk
The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's notes payable with floating interest rates. The Group has a practice of keeping its interest-bearing liabilities to third parties within a threshold that can be serviced through operating cash flows.

Management closely monitors the behaviour of interest rates to ensure that cash flow interest rate risk is kept within management's tolerable level. Finally, interest-bearing liabilities are ordinarily incurred on a short-term basis only.

The table below sets forth the estimated change in the Group's income before income tax (through the impact on the variable rate borrowings) due to parallel changes in the interest rate curve in terms of basis points (bp) as of December 31, 2022 and 2021, with all other variables held constant. There is no other impact on the Group's equity other than those already affecting the consolidated statements of income.

	Increase (decrease) in income before income tax	
	2022	2021
	(In millions)	
100 bp rise	**(₱10.59)**	(₱15.92)
100 bp fall	**10.59**	15.92
50 bp rise	**(5.29)**	(7.96)
50 bp fall	**5.29**	7.96

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its obligations when they fall due under normal and stress circumstances. To limit this risk, management manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows which could be used to secure additional funding if required.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of operating cash flows and short-term bank loans.

The tables below summarize the maturity profile of the Group's financial liabilities based on contractual and undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. The table also analyses the maturity profile of the Group's financial assets held for managing liquidity in order to provide complete view of the Group's contractual commitments and liquidity.

December 31, 2022

	≤1 year	>1-2 years	>2-3 years	>3 years	Total
Loans and receivables:					
Cash and cash equivalents	**₱468,018,733**	**₱–**	**₱–**	**₱–**	**₱468,018,733**
Receivables:					
Trade	**1,733,682,518**	–	–	–	**1,733,682,518**
Interest receivable	**4,061,901**	–	–	–	**4,061,901**
Installment receivable*	**14,898,121**	**669,992**	**1,008,127**	**3,949,732**	**20,525,972**
Finance lease receivable**	**312,584**	**1,177,130**	**1,933,574**	**13,220,479**	**16,643,767**
Deposits***	–	–	–	**45,669,001**	**45,669,001**
	2,220,973,857	**1,847,122**	**2,941,701**	**62,839,212**	**2,288,601,892**
Other financial liabilities:					
Accounts payable and accrued liabilities****	**₱1,862,209,321**	**₱–**	**₱–**	**₱–**	**₱1,862,209,321**
Notes payable	**139,000,000**	–	–	–	**139,000,000**
Long-term debts	**298,122,651**	**318,906,435**	**303,549,729**	**208,676,253**	**1,129,255,069**
Dividends payable	**31,968,020**	–	–	–	**31,968,020**
Deposit*****	–	–	–	**47,174,348**	**47,174,348**
	2,331,299,992	**318,906,435**	**303,549,729**	**255,850,602**	**3,209,606,758**
Liquidity position	**(₱110,326,136)**	**(₱317,059,313)**	**(₱300,608,028)**	**(₱193,011,390)**	**(₱921,004,867)**

**Gross of unearned interest income of ₱69,902. The current portion amounting to ₱19,827,049 is presented under trade.*
*** Gross of unearned interest income of ₱4,545,069 exclusive of ₱549,577 included under trade.*
**** Gross of unearned interest income of ₱7,889,100. Presented as part of "Other noncurrent assets".*
*****Exclusive of nonfinancial liabilities of ₱243,191,564.*
****** Inclusive of accretion of interest of ₱15,743,541. Presented as part of "Other noncurrent liabilities".*

December 31, 2021

	≤1 year	>1-2 years	>2-3 years	>3 years	Total
Loans and receivables:					
Cash and cash equivalents	₱503,647,838	₱–	₱–	₱–	₱503,647,838
Receivables:					
Trade	1,277,145,744	–	–	–	1,277,145,744
Interest receivable	3,251,087	–	–	–	3,251,087
Installment receivable*	14,898,121	5,237,173	7,880,291	15,976,008	43,991,593
Finance lease receivable**	341,864	1,287,391	2,114,692	14,458,838	18,202,785
Deposits***	–	–	–	40,315,667	40,315,667
	1,799,284,654	6,524,564	9,994,983	70,750,513	1,886,554,714
Other financial liabilities:					
Accounts payable and accrued liabilities****	₱1,361,989,983	₱–	₱–	₱–	₱1,361,989,983
Notes payable	420,000,000	–	–	–	420,000,000
Long-term debts	231,183,432	237,473,848	246,965,741	424,628,615	1,140,251,636
Dividends payable	31,968,020	–	–	–	31,968,020
Deposit*****	–	–	–	25,306,517	25,306,517
	2,045,141,435	237,473,848	246,965,741	449,935,132	3,110,044,380
Liquidity position	(₱245,856,781)	(₱230,949,284)	(₱236,970,758)	(₱379,184,619)	(₱1,223,489,666)

Gross of unearned interest income of ₱700,340. The current portion amounting to ₱15,933,542 is presented under trade.
*** Gross of unearned interest income of ₱5,046,743 exclusive of ₱528,672 included under trade.*
**** Gross of unearned interest income of ₱19,514,515. Presented as part of "Other noncurrent assets".*
*****Exclusive of nonfinancial liabilities of ₱130,528,226.*
****** Inclusive of accretion of interest of ₱9,933,244. Presented as part of "Other noncurrent liabilities".*

32. Fair Values

The table below provides the comparison of carrying amounts and fair values of the Group's assets and liabilities as at:

			Fair value measurements using	
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2022				
Assets measured at fair value:				
Equity instruments designated at FVTOCI (Note 15)	**₱105,155,800**	**₱–**	**₱105,155,800**	**₱–**
Assets for which fair value is disclosed:				
Installment receivables (Notes 6 and 15)	**20,525,972**	**–**	**–**	**20,525,972**
Finance lease receivable (Note 15)	**16,643,767**	**–**	**–**	**16,643,767**
Investment property (Note 12)	**143,852,303**	**–**	**–**	**432,952,000**
Deposits (Note 15)	**45,669,001**	**–**	**–**	**45,669,001**
Liabilities for which fair value is disclosed				
Deposits (Note 18)	**₱47,174,348**	**₱–**	**₱–**	**₱47,174,348**
Long term debts (Note 16)	**1,129,025,068**	**–**	**1,129,025,068**	**–**
December 31, 2021				
Assets measured at fair value:				
Equity instruments designated at FVTOCI (Note 15)	₱83,155,800	₱–	₱83,155,800	₱–
Assets for which fair value is disclosed:				
Installment receivables (Notes 6 and 15)	34,598,848	–	–	34,598,848
Finance lease receivable (Note 15)	18,202,785	–	–	18,202,785
Investment property (Note 12)	143,852,303	–	–	432,952,000
Deposits (Note 15)	40,315,667	–	–	40,315,667
Liabilities for which fair value is disclosed				
Deposits (Note 18)	₱25,306,517	₱–	₱–	₱25,306,517
Long term debts (Note 16)	1,140,251,636	–	1,140,251,636	–

The Group determined that its investments in government bonds and golf club shares are categorized at Level 2 in the fair value hierarchy. The Group assessed that, while there is a market for these securities, transactions are infrequent.

There have been no transfers between Levels 1 and 2 in 2022 and 2021.

Cash and cash equivalents, receivables, accounts payables and accrued liabilities, and notes payable
The carrying values of cash and cash equivalents, receivables, accounts payable and accrued liabilities dividends payable and notes payable approximate their fair values due to their short-term nature.

Installment receivables and deposits
The carrying values of installment receivables and deposits are determined based on the present value of expected cash flows discounted at the Group's borrowing rate.

Dividends payable
The carrying value of dividends payable approximates its fair value since they are expected to be settled within a short period of time after its declaration.

Long-term debts
The carrying value of long-term debts approximate its fair value due to the re-pricing feature of the interest it carries.

Equity instruments designated at FVTOCI
The Group's investments in golf club share and other proprietary shares are carried at fair value based on published club share quotes that are publicly available from the local dailies and from the website of club share brokers.

Investment property
The Philippine SEC-accredited and independent appraiser used the "Sales Comparison Approach" in valuing the property. The Group has determined that the highest and best use of the property is its current use (i.e., industrial purpose).

33. Changes in Liabilities Arising from Financing Activities

The table below presents the changes in Group's liabilities arising from financing activities.

2022

	Beginning	Availments	Payments	Noncash activities*	Dividend declaration (Note 27)	Ending
Note payable (Note 16)	**₱420,000,000**	**₱40,000,000**	**(₱321,000,000)**	**₱–**	**₱–**	**₱139,000,000**
Long-term debt (Note 16)	**1,140,251,636**	**200,000,000**	**(210,996,567)**	–	–	**1,129,255,069**
Lease liabilities (Note 28)	**2,152,712,498**	**–**	**(112,006,096)**	**70,541,068**	–	**2,111,247,470**
Treasury shares (Note 27)	**(459,418,212)**	–	–	–	–	**(459,418,212)**
Dividend payable (Note 27)	**9,528,020**	–	–	–	–	**9,528,020**
Dividends payable to non-controlling interest (Note 27)	**22,440,000**	–	–	–	–	**22,440,000**
Total liabilities from financing activities	**₱3,285,513,942**	**₱240,000,000**	**(₱644,002,663)**	**₱70,541,068**	**₱–**	**₱2,952,052,347**

**Noncash activities pertain to discounting of lease payments and unpaid leases.*

2021

	Beginning	Availments	Payments	Noncash activities*	Dividend declaration (Note 27)	Ending
Note payable (Note 16)	₱595,000,000	₱240,000,000	(₱415,000,000)	₱–	₱–	₱420,000,000
Long-term debt (Note 16)	1,192,101,245	128,540,000	(180,389,609)	–	–	1,140,251,636
Lease liabilities (Note 28)	1,700,984,700	−	(63,475,642)	515,203,440	–	2,152,712,498
Treasury shares (Note 27)	(459,418,212)	–	–	–	–	(459,418,212)
Dividend payable (Note 27)	9,528,020	–	–	–	–	9,528,020
Dividends payable to non-controlling interest (Note 27)	22,440,000	–	–	–	–	22,440,000
Total liabilities from financing activities	₱3,060,635,753	₱368,540,000	(₱660,766,583)	₱515,203,440	₱–	₱3,285,513,942

**Noncash activities pertain to discounting of lease payments and unpaid leases.*

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
MacroAsia Corporation
12th Floor, PNB Allied Bank Center
6754 Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of MacroAsia Corporation and its subsidiaries (collectively as the Group) as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, included in this Form 17-A and have issued our report thereon dated March 23, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Kristopher S. Catalan
Partner
CPA Certificate No. 109712
Tax Identification No. 233-299-245
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 109712-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-109-2020, November 27, 2020, valid until November 26, 2023
PTR No. 9369789, January 3, 2023, Makati City

March 23, 2023

MACROASIA CORPORATION

INDEX TO THE SUPPLEMENTARY SCHEDULES

SCHEDULE I.A

MACROASIA CORPORATION

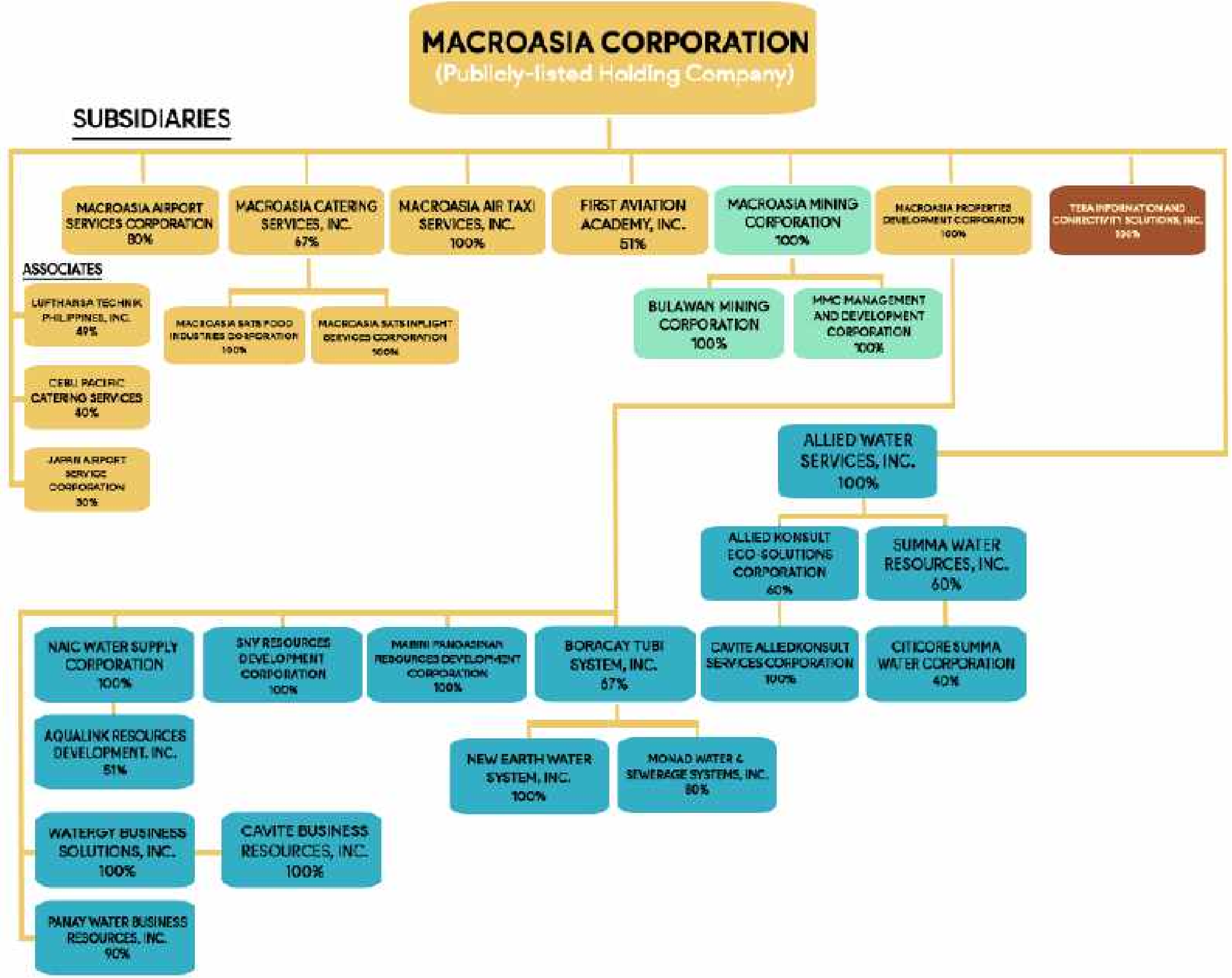
SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2022

Unappropriated retained earnings		**₱2,827,720,086**
Add:	Deferred income tax assets, beginning	(1,480,051)
Less:	Treasury shares	(459,418,212)
Unappropriated retained earnings, as adjusted to available for dividend declaration, beginning		**2,366,821,823**
Add:	Net income actually earned/closed to retained earnings during the year	120,461,699
Less:	Unrealized foreign exchange gain (except cash)	(7,970,922)
	Movement in deferred income tax assets	(1,748,398)
Retained earnings available for dividend declaration, end		**₱2,477,564,202**

Exhibit 2. Index to Supplementary Schedules

GROUP STRUCTURE



MacroAsia Corporation and Subsidiaries
Schedule A - Financial Assets
As of December 31, 2022

Financial Assets	Name of Issuing entity and association of each issue	Amount shown in the balance sheet	Income received and accrued
Loan and Receivables			
Cash in bank and cash equivalents		468,018,733	
Receivables		1,908,879,804	
Deposits		45,669,001	
Equity investments designated at FVTOCI/AFS investments:			
Investment in stock	PLDT	38,300	-
Investment in stock	Tower Club	100,000	-
Investment in stock	Manila Golf and Country Club	105,000,000	-
Total		2,527,705,838	-

	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Adjustment	Current	Not current	Balance at end of period
Advances to officers & employees								
of MAC	1,132,213	6,425,937	- 6,660,102	-	-	898,047	-	898,047
of MACS	275,720	859,996	- 727,214	-	-	-	408,503	408,503
of AWSI	457	39,881	- 25,000	-	-	15,339		15,339
of MASCORP	2,128,966	60,772,265	- 58,192,114	-	239,839	4,301,166	647,790	4,948,956
of MAPDC	2,677,901	5,321,164	(4,547,244)	-	-	3,451,821	-	3,451,821
of WBSI	2,878	8,000	(8,000)	-	-	2,878		2,878
of CAKSC	124,325	421,340	(479,234)	-	-	66,431		66,431
of SNVRDC	23,294	1,681,351	(1,704,644)	-	-	-	-	-
of PWBRI	-	20,000	-	-	-	20,000	-	20,000
of CBRI	11,478	233,381	(224,859)	-	-	20,000	-	20,000
of MAATS	141,077	1,137,338	(1,068,276)	-	-	210,139	-	210,139
of MMC	1,792,442	94,593	(81,404)	-	-	1,805,631	-	1,805,631
of MPRDC	1,465	7,500	(3,984)	-	-	4,981	-	4,981
of NAWASCOR	53,751	1,690,950	- 84,937	- 1,520,300	-	139,465	-	139,465
of SUMMA	1,649,179	6,490,568	(4,754,711)	-	-	3,351,083	33,953	3,385,036
of BTSI	678,058	1,492,087	(1,701,546)	-	-	468,599	-	468,599
of MONAD	3,103,067	-	(1,710)	-	-	3,101,357	-	3,101,357
of NEWS	-	31,000				31,000	-	31,000
of FAA	659,204	560,861	- 574,091	-	-	645,973	-	645,973
of MSFI	439,111	1,223,473	(1,418,960)			243,624	-	243,624
of TERA	479,222	(474,525)				4,696		4,696
Receivables from Related Parties and Principal Stockholders								
of MACS from LTP	2,152,121	12,700,590	- 9,051,089	-	-	-	5,801,622	5,801,622
of MACS from PAL	334,999	10,754	- 196,840	-	- 84,360	-	64,553	64,553
of MACS from PAL - Mabuhay Lounge	9,695,110		- 9,693,003	-	-	-	2,107	2,107
of MACS from PAL - PALEX	2,401,405	8,180,818	- 6,436,931	-	-	-	4,145,291	4,145,292
of MASCORP from PAL	491,433,820	2,093,588,772	(1,889,673,029)	-	-	376,466,066	318,999,029	695,349,563
of MASCORP from PALEX (former Airphil)	180,811,849	9,598,103	(150,846,087)	-	-	1,440,973	38,122,894	39,563,865
of MASCORP from LTP	7,472,344	24,076,006	(23,852,636)	-	-	3,179,694	4,536,102	7,695,714
of MAATS from LTP	5,850,649	35,471,363	(35,154,683)			6,167,329		6,167,329
of MAPDC from LTP	1,131,448	212,425,264	(212,277,589)	-	-	-	1,279,124	1,279,124
of MSIS from PAL	118,280,680	844,418,116	- 808,415,070			154,283,726		154,283,726
Total	834,938,232	3,328,506,945	(3,227,854,986)	(1,520,300)	155,479	560,320,018	374,040,967	934,225,370

MacroAsia Corporation and Subsidiaries

Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

As of December 31, 2022

Name and designation of debtor	Balance at beginning of period	Additions	Amount collected	Amounts written off	Current	Not Current	Balance at end of period	Amount Eliminated
MAC from								
MAATS	1,446,000	-	(1,446,000)	-	-	-	-	-
MAPDC	1,038,491,576	22,500,000	(184,017,324)	-	876,974,252	-	876,974,252	876,974,252
MACS	136,057,080	29,458,861	-	-	165,515,941	-	165,515,941	165,515,941
MASCORP	700,831,233	66,828,196	(23,973,352)	-	743,686,076	-	743,686,076	743,686,076
MMC	6,671,038	11,500,000	(15,888,495)	-	2,282,543	-	2,282,543	2,282,543
AWSI	101,869,301	300,000	-	-	102,169,301	-	102,169,301	102,169,301
CAKSC	11,856,804	23,693,800	-	-	35,550,604	-	35,550,604	35,550,604
FAA	67,198,100	21,165,000	-	-	88,363,100	-	88,363,100	88,363,100
BTSI	58,275,777	4,697,402	(7,455,525)	-	55,517,654	-	55,517,654	55,517,654
CBRI	155,825,279	2,200,000	-	-	158,025,279	-	158,025,279	158,025,279
SUMMA	37,079,241	6,500,000	-	-	43,579,241	-	43,579,241	43,579,241
NAWASCOR	2,684,932	-	(1,000,000)	-	1,684,932	-	1,684,932	1,684,932
MACS from								
MAC	-	-	-	-	-	-	-	-
MASCORP	433,723	258,810	(478,714)	-	213,819	-	213,819	213,819
MSFI	19,508,968	7,643,800	(500,055)	-	26,652,713	-	26,652,713	26,652,713
MSIS	4,016,755	19,664,159	(17,704,953)	-	5,975,961	-	5,975,961	5,975,961
MAPDC from								
WBSI	13,400,000	-	-	-	13,400,000	-	13,400,000	13,400,000
SNVRDC	291,766,886	2,408,707	(9,114,638)	-	285,060,955	-	285,060,955	285,060,955
MPRDC	1,706,000	-	-	-	1,706,000	-	1,706,000	1,706,000
CBRI	12,992,544	650,000	-	-	13,642,544	-	13,642,544	13,642,544
BTSI	49,992,991		(3,092,991)	-	46,900,000	-	46,900,000	46,900,000
NAWASCOR	1,085,943	-	-	-	1,085,943	-	1,085,943	1,085,943
MAATS	696,311	71,636	(696,311)	-	71,635	-	71,635	71,635
CAKSC	10,079,974	23,456,405	(12,629,000)	-	20,907,378	-	20,907,378	20,907,378
FAA	88,533	317,010	(317,010)	-	88,533	-	88,533	88,533
MSFI	7,382,509	14,281,415	(980,413)	-	20,683,510	-	20,683,510	20,683,510
AWSI from								
MMC	3,000,000	-	-	-	3,000,000	-	3,000,000	3,000,000
MAPDC	2,500,000	-	-	-	2,500,000	-	2,500,000	2,500,000
Alliedkonsult	19,928	7,826	(22,989)	-	4,766	-	4,766	4,766
Cavite Alliedkonsult	(0)	-	-	-	-	-	- 0	(0)
Summa Water Resources Inc	402,418	-	-	-	402,418	-	402,418	402,418
MAATS from								
MASCORP	4,251,152	1,390,975	-	-	5,642,127	-	5,642,127	5,642,127
MAC	-	5,788,497	-	-	5,788,497	-	5,788,497	5,788,497
MAPDC	-	5,000,000	-	-	5,000,000	-	5,000,000	5,000,000
WBSI from								
CBRI	10,003,278	-	-	-	-	-	10,003,278	10,003,278
MMC from								
MAC	2,721,162	-	-	-	2,721,162	-	2,721,162	2,721,162
BUMICO	290,908	73,050	-	-	363,958	-	363,958	363,958
MAATS	116,735	51,107	-	-	167,842	-	167,842	167,842
Alliedkonsult from								
MMC	1,000,000	-	-	-	1,000,000	-	1,000,000	1,000,000
AWSI	-	3,060	-	-	3,060	-	3,060	3,060
Cavite Alliedkonsult	1,120,915	-	-	-	1,120,915	-	1,120,915	1,120,915
Total	2,756,863,994	269,909,716	(279,317,770)	-	2,737,452,662	-	2,747,455,940	2,747,455,940

MacroAsia Corporation and Subsidiaries
Schedule D - Long Term Debt
As of December 31, 2022

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*		Balance at end of period	Interest Rate
	(In original currency)	(In PhP)	(In original currency)	(In PhP)	(In original currency)	(In PhP)		
Local Bank	USD 960,000	49,334,400	170,000	9,478,352	14,167	789,857	10,268,209	4.34%
Local Bank	USD 960,000	49,334,400	16,000	892,080	-	-	892,080	4.34%
Local Bank	USD 3,500,000	183,575,000	647,619	36,107,997	971,429	54,162,009	90,270,007	5.11%
Local Bank	PHP 165,000,000	165,000,000	30,530,612	30,530,612	45,795,918	45,795,918	76,326,531	7.27%
Local Bank	PHP 400,000,000	400,000,000	74,074,074	74,074,074	129,629,630.00	129,629,630	203,703,704	4.51%
Local Bank	PHP 250,000,000	250,000,000	38,571,429	38,571,429	135,000,000	135,000,000	173,571,429	7.00%
Local Bank	PHP 252,950,917	252,950,917	31,618,865	31,618,865	210,792,431	210,792,431	242,411,296	6.00%
Local Bank	PHP 26,580,000	26,580,000	-	-	26,580,000	26,580,000	26,580,000	6.00%
Local Bank	PHP 10,000,000	10,000,000	-	-	10,000,000	10,000,000	10,000,000	6.00%
Local Bank	PHP 27,000,000	27,000,000	4,640,000	4,640,000	11,324,778	11,324,778	15,964,778	9.00%
Local Bank	PHP 100,000,000	400,000,000	5,152,317	5,152,317	75,000,000	75,000,000	80,152,317	7.50%
Local Bank	PHP 200,230,000	200,230,000	66,896,667	66,896,667	133,333,333	133,333,333	200,230,000	6.25%
Local Bank	PHP 1,150,000	1,150,000	-	-	824,167	824,167	824,167	5.00%
Local Bank	PHP 810,000	810,000	160,259	160,259	375,917	375,917	536,176	5.00%
TOTAL		2,015,964,717		298,122,652		833,608,041	1,131,730,692	

MacroAsia Corporation and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
As of December 31, 2022

Name of related party	Balance at beginning of period	Balance at end of period
Philippine National Bank	781,247,660	604,676,057
PNB-IBJL Leasing & Finance Corporation	12,647,754	892,080
TOTAL	793,895,414	605,568,137

MacroAsia Corporation and Subsidiaries
Schedule F - Guarantees of Securities and Other Issuers
As of December 31, 2022

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

Not Applicable

MacroAsia Corporation and Subsidiaries
Schedule G - Capital Stock
As of December 31, 2022

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Title of Issue	Number of Shares authorized	Number of shares issued as shown under related balance sheet caption	Number of treasury shares	Number of shares outstanding	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Number of shares held by directors and officers
Common Stock	2,000,000,000	1,933,305,923	(42,347,600)	1,890,958,323	-	1,384,368,902	16,786,004
						73.21%	0.89%

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
MacroAsia Corporation
12th Floor, PNB Allied Bank Center
6754 Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of MacroAsia Corporation and ist subsidiaries (collectively as the Group) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 23, 2023. 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 (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Kristopher S. Catalan
Partner
CPA Certificate No. 109712
Tax Identification No. 233-299-245
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 109712-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-109-2020, November 27, 2020, valid until November 26, 2023
PTR No. 9369789, January 3, 2023, Makati City

March 23, 2023

MACROASIA CORPORATION

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

Ratio	Formula		2022	2021
Current ratio	Total current assets divided by total current liabilities			
	Total current assets	₱3,057,523,293	**1.2:1**	1.1:1
	Divided by: Total current liabilities	2,641,467,907		
	Current ratio	1.2		
Debt-to-equity ratio	Total interest-bearing debts divided by total stockholders' equity			
	Total Interest-bearing Debts	₱1,268,255,069	**22.4%**	31.6%
	Divided by: Total stockholders' equity	5,668,607,769		
	Debt-to-equity ratio	22.4%		
Asset-to-equity ratio	Total assets divided by total stockholders' equity			
	Total assets	₱11,504,693,868	**2.0:1**	2.1:1
	Divided by: Total stockholders' equity	5,668,607,769		
	Asset-to-equity ratio	2.0		
Direct cost ratio	Total direct costs divided by net revenues			
	Total direct costs	₱3,969,757,314	**81.3%**	102.2%
	Divided by: Net revenues	4,883,508,027		
	Direct cost ratio	81.3%		
Expense ratio	Total operating expenses divided by net revenues			
	Total operating expenses	₱793,288,658	**16.2%**	35.1%
	Divided by: Net revenues	4,883,508,027		
		16.2%		
Interest coverage ratio	Total earnings before interest and Taxes divided by Total Interest expense		**4.7:1**	-0.52:1
	Total earnings/(loss) before interest and taxes	₱703,213,090		
	Divided by: Interest expense	148,954,785		
	Interest coverage ratio	4.7		

Return on net sales	Net income/(loss) divided by net revenues Net income/(loss) ₱461,434,075 Divided by: Net revenues 4,883,508,027 **Return on net sales** 9.45%	**9.45%**	-7.7%
Return on assets	Net income/(loss) from continuing operations divided by Average Total Assets Net income/(loss) ₱461,434,075 Divided by: Total assets 11,504,693,868 **Return on assets** 4.0%	**4.0%**	-1.4%
Return on investment	Net income/(loss) attributable to equity holders of parent divided by the sum of total interest-bearing debts and equity attributable to equity holder of parent Net income/(loss) attributable to equity holders of parent ₱446,084,259 Divided by: Total interest-bearing debts + equity attributable to equity holder of parent 6,822,405,539 **Return on investment** 6.5%	**6.5%**	-0.03%
Return on equity	Net income/(loss) divided by total capital Net income/(loss) ₱461,434,075 Divided by: Total capital 4,381,788,143 **Return on equity** 10.5%	**10.5%**	-3.8%

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	MacroAsia Corporation
Location of Headquarters	12/F PNB Allied Bank Center, 6754 Ayala Avenue, Makati City 1226, Philippines
Location of Operations	**MacroAsia Catering Services, Inc. (MACS) and Subsidiaries** - *West Service Road, Merville Exit NAIA, Pasay City 1300, Philippines* **MacroAsia Airport Services Corporation (MASCORP)** - *3rd Floor, Bldg. A, Skyfreight Center, Ninoy Aquino Ave., Brgy. Sto. Niño, Parañaque City 1704, Philippines* **MacroAsia Properties Development Corporation (MAPDC) and Subsidiaries** - *MacroAsia Special Economic Zone, Villamor Airbase Pasay City 1309, Philippines* **MacroAsia Air Taxi Services, Inc. (MAATS)** - *2nd Floor Anzcor Hangar 2 Building-A, A. Soriano Island Aviation, Andrews Avenue, Pasay City 1300, Philippines* **First Aviation Academy, Inc. (FAA)** - *12/F PNB Allied Bank Center, 6754 Ayala Avenue, Makati City 1226, Philippines* **MacroAsia Mining Corporation (MMC) and Subsidiaries** - *12/F PNB Allied Bank Center, 6754 Ayala Avenue, Makati City 1226, Philippines* **Allied Water Services Inc. (AWSI) and Subsidiaries** - *12/F PNB Allied Bank Center, 6754 Ayala Avenue, Makati City 1226, Philippines*
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	MacroAsia Catering Services, Inc. (MACS) MacroAsia SATS Food Industries Corporation (MSFI) MacroAsia SATS Inflight Services Corporation (MSIS) MacroAsia Airport Services Corporation (MASCORP) MacroAsia Properties Development Corporation (MAPDC) MacroAsi Air Taxi Services, Inc. (MAATS) First Aviation Academy, Inc. (FAA) MacroAsia Mining Corporation (MMC) Allied Water Services Inc. (AWSI) Boracay Tubi System, Inc. (BTSI) SNV Resources Development Corporation (SNVRDC) Naic Water Supply Corporation (NAWASCOR) Summa Water Resources, Inc. (SWRI) Aqualink Resources Development, Inc. (ARDI)

Business Model, including Primary Activities, Brands, Products, and Services	Maintenance Repair and Overhaul (MRO), Food Services, Gateway Services, Fixed-Based Operations (FBO), Aviation Training, Ecozone Development, Water Businesses, and Mining
Reporting Period	December 31, 2022
Highest Ranking Person responsible for this report	Dr. Lucio C. Tan

**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

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
In identifying the essential sustainability issues, opportunities, and risks, the company considers the following factors: • *its impact on the business operations,* • *critical issues to the stakeholders, and* • *importance to the community where we operate*

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	4,883,508,027	PhP
Direct economic value distributed:		
a. Operating costs	507,027,641	PhP
b. Employee wages and benefits	1,410,117,203	PhP
c. Payments to suppliers, other operating costs	2,804,020,151	Php
d. Dividends given to stockholders and interest payments to loan providers	96,267,652	PhP
e. Taxes given to government	85,004,679	PhP
f. Investments to community (e.g. donations, CSR)	-	PhP

[1] See *GRI 102-46* (2016) for more guidance.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Primary business operations: • *The company may be able to generate revenue due to brisk business activities.* • *As a labor-intensive company, this translates to employment generation.* • *Revenue generation means more taxes paid.* • *Contributes to national economic development*	• *Employees – for the benefits given by the company* • *Government – for the taxes paid, and withholding taxes remitted by the company* • *Suppliers – for the purchases made by the company as the source of their income* • *Community – for the CSR program of the company*	• *Strategic business planning* • *Engaging suppliers with Sustainable Development Goals incorporated in their business cultures.* • *Achieving global market leadership through sound and achievable goals* • *Natural resources partner in the Philippines*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
• *Operational and financial risks of the subsidiaries and affiliates* • *Global Economic Slowdown/Recession* • *Industry Regulations* • *National Regulations* • *Competition* • *Volatility of Foreign Exchange Rates* • *Valuation of Non-Current Assets* • *Lock-in commitments in Infrastructure investment* • *Decline in Local Employment*	• *Employees* • *Company* • *Supplier* • *Community* • *Government* • *Investors*	• *Group-wide monitoring process performed by executive/management committee held on a weekly basis* • *Aggressive marketing, offering of innovative products and services* • *Optimizing resources and provision of quality services* • *Sustainable cost leadership efforts* • *Year-round preventive maintenance of ground support equipment in accordance with the manufacturer's specifications* • *Employees year-round training program in order to keep up with the latest trends with emphasis on operational safety, reliability and customer service*

• *Limits in accessibility and mobility* • *Change in Consumer Behavior; Drop of demand for certain services offered (non-essentials i.e. travel, recreation)* • *Cyber-attacks (i.e. data breaches, ransomware attacks, and other cyber incidents)*		• *Regular audit to ensure compliance with local and international standards.* • *Regular renewal of accreditations and certifications to ensure services are carried out in accordance with respective countries' aviation regulations.* • *Maintain close relationship with airline clients, which in turn enables reciprocal arrangements for auxiliary aviation services.* • *Strong backing of the Company's venture partners for a globally-competitive expertise and market reach.* • *Operational funding requirements and adequate capital to continue and expand its existing business and develop or venture into new business.* • *Engage in foreign exchange hedging transactions to minimize impact of losses from such fluctuation.* • *In the case of the parent company, as maintaining the currency portfolio as per the guidance received from the Investment Committee.* • *Non-current assets are adjusted at fair market values for impairment, recoverability and timing of reclassification.* • *Scenario planning / Strategic business planning.* • *Continuous evaluation of the current IT environment & security and implementation of essential upgrade on Firewall, antivirus and back-up solutions.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
• *Business expansion organization* • *Business growth through diversification*	• *Employees* • *Company* • *Suppliers*	• *Scenario planning / Strategic business planning*

Climate-related risks and opportunities[2]

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities	Disclose the actual and potential impacts[3] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	Disclose how the organization identifies, assesses, and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material
Recommended Disclosures			
• *The Board of Directors, through its Risk Management Committee, and Audit Committee, oversees the climate-related risks and opportunities of the company. From time to time, the committee meets to discuss any material risk exposures, actions taken, and recommends corrective measures, as necessary.*	• *Emission reporting obligations* • *Exposure to litigations* • *Shift in consumer preferences* • *Increased cost of raw materials* • *Extreme weather events* • *Diseases* • *Disrupted/delayed business supply* • *Uninsurable risks*	• *The Chief Risk Officer (CRO) is the champion of Enterprise Risk Management (ERM); he shall be responsible for the identification and assessments of climate-related risks. The management team communicates the identified and assessed risk to the Board of Directors through board committees.* • *The corporation disseminates the survey questionnaire to the different heads of subsidiaries. After that, the group will collate all the responses and map the identified and assessed climate-related risks.* • *A weekly management committee meeting is in place to discuss any material risk exposures and opportunities*	• *The company assess the climate-related risks and opportunities by defining the probability, and materiality of its impact in the business operations*

[2] 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.
[3] For this disclosure, impact refers to the impact of climate-related issues on the company.

		identified and any additional information available as of the given date.	
• *The Chief Risk Officer is the champion of Enterprise Risk Management (ERM); he shall be responsible for the identification and assessments of climate-related risks.*	• *Asset impairment, early retirement of assets.* • *Reduced revenue* • *Increase in production costs*	• *A weekly management committee meeting is in place to discuss any material risk exposures and opportunities identified and any additional information available as of the given date.*	• *Quantitative and qualitative monitoring of resources*
	b) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	95	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
• *There is a material economic impact on our primary business operations and/or supply chain. The group is engaged in diverse industries, i.e., gateway services, aircraft repair maintenance and*	• *Internally, the employer and employee* • *Externally,* *1. the suppliers* *2. the government*	• *It is the aim of management to -* *1. Obtain quality goods and services at the lowest reasonable cost, while operating at the highest standards of ethical conduct.* *2. Establish purchasing programs, goals and targets, policies,*

overhaul, catering, water supply and treatment services. • *Our organization assists suppliers through our regular purchasing activities. A brisk and satisfactory relationship redounds to the business growth of our suppliers as well.*	*3. public/consumers*	*responsibilities that will stabilize our interaction with suppliers.* • *Promote sourcing of local products to a greater degree as this spurs national economic development.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
• *Lack of reliable source of suppliers with track records which meet our procurements requirements which may result in higher operating costs.* • *Effect of extreme weather conditions and natural calamities on agricultural products and water supply* • *Environmental and health concerns (proper waste disposal, spoilage, spread of diseases, contamination, pollution)* • *Dependence on imported items including equipment and other CAPEX needs* • *Goods are supply-and-demand driven, thus affected by price fluctuations.*	• *Our suppliers and clients are principally affected as our goods and services are price and inflation sensitive.*	• *Aggressive search for potential/ alternative roster of suppliers.* • *Build a wider range of agri-business suppliers and make appropriate substitute measures.* • *Same as # 2* • *Explore tie-ups with local producers through contract growing arrangement and fabricators through manufacturing contracts.* • *Develop a stable supplier base to stabilize prices.* • *Establishment of uniform guidelines and procedures to regulate procurement activities.* • *Regular evaluation of supplier performance and forecasting of requirements with constant reference to historical purchases and deliveries* • *Collaboration of purchasing department with finance and support units*

What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
• *Bulk/ Wholesale buying to capitalize on economies of scale, favorable payment terms and to mitigate effects of forex fluctuations and price volatility* • *More timely supplier information using information technology.*	• *Same as above*	• *To align procurement policies and procedures of subsidiaries towards cost saving.* • *Consolidate requirements of requesting units.* • *Keep abreast of trends in information tech.*

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Primary business operations • *Lower revenue* • *Higher cost due to corruption* • *Loss of assets* • *Lower results of operations*	• *Company* • *Employees* • *Suppliers* • *Community* • *Government*	• *The company is committed to establish a whistle-blower policy to encourage employees to report corrupt practices.* • *Cultivate a culture of honesty, transparency and integrity.*
What are the Risk/s Identified?		
• *Higher cost for the company, which translates to a lower bottom line.*		

• *Reputational risk* • *Loss of sales/customers*		
What are the Opportunity/ies Identified?		
• *Good publicity* • *Higher rating* • *More sales means the higher bottom line*		

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
-N/A-	*-N/A-*	*-N/A-*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
-N/A-	*-N/A-*	*-N/A-*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
-N/A-	*-N/A-*	*-N/A-*

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	979.201	MWh
Energy consumption (gasoline)	5,223	GJ
Energy consumption (LPG)	3,914	GJ
Energy consumption (diesel)	73,511	GJ
Energy consumption (electricity)	37,636	MW

Note: Significant changes in the figures under MAC group's environmental data were due to normalization of operations, primarily in maintenance, repair, and overhaul business. Ground handling and catering service operations regularized as the flights increased (as compared to the previous year) and the implementation of business expansion in certain none-airline related clients. Meanwhile, operations for water group normalized after the effects of the pandemic. In addition, the effected business expansion program for water group resulted to the increase of active pumping stations from six (6) in 2017 to twenty (20) in 2022, which aid in the growth of operations.

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	n/a	Liters
Energy reduction (LPG)	n/a	Kgs
Energy reduction (diesel)	n/a	Liters
Energy reduction (electricity)	n/a	kWh
Energy reduction (gasoline)	n/a	Liters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Use of non-renewable energy in aviation services, mining, and water supply operation utilizing the following: • *Power Generators* • *Equipment and Vehicles* • *Industrial equipment*	• *Employees* • *Community* • *Employers*	• *Installation of cost saving devices on existing equipment and vehicles that uses power and fuel* • *Acquisition of more fuel-efficient vehicles and equipment* • *Proper use and regular preventive maintenance of electrical and fuel driven vehicles and equipment*
What are the Risk/s Identified?		
• *Greenhouse gases generation* • *Potential air and noise pollution*		

What are the Opportunity/ies Identified?		
• *Reduction of operating expense* • *Improvement of Bottomline*		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	9,923,616	Cubic meters
Water consumption	7,653,265	Cubic meters
Water recycled and reused	11,404	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Extraction of surface water on rivers located in • *Maragondon, Cavite* • *Solano, Nueva Vizcaya* • *Malay, Aklan* *Extraction of ground water in* • *Naic, Cavite*	• *Communities where surface and/or ground water are extracted* • *Communities down-stream of river water sources* • *Customers* • *Employees* • *Shareholders*	• *Proper use and regular preventive maintenance of water treatment facilities* • *Regular monitoring of WTP performance vs design capacity* • *Regular monitoring of potable water quality* • *Recycling and reuse of wastewater* • *Strict compliance to latest potable water (Philippine National Standards for Drinking Water [PNSDW]) standards* • *Adopted water Strict adherence water allocation specified in the Water Rights/Permit granted by National Water Resources Board (NWRB)* • *Conservation measures in facilities to reduce water consumption* • *Information campaign to customers regarding water conservation tips* • *Adopted water recycling/reuse*
What are the Risk/s Identified?		
• *Over extraction of surface water that may result to:* – *Reduced downstream flow* • *Over extraction of ground water that may result to:* – *Lowering of water table* – *Salt intrusion* – *Ground subsidence* • *Water pollution*		
What are the Opportunity/ies Identified?		
• *Reduce dependence on water sources*		

• *Less operating expense* • *Better Returns*		

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable – Water	7,653,265	cu.m.
• Non-renewable – Gasoline – Diesel – LPG – Electricity – Various Chemicals	153,579 1,911,970 98,148 37,635,872 58,566	Liters Liters kgs kWh kgs
Percentage of recycled input materials used to manufacture the organization's primary products and services	None	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
• *Raw water from surface and ground water sources* • *Fuel, power, and other materials needed for production*	• *Employees* • *Community* • *Suppliers* • *Customers*	• *Strict adherence water allocation specified in the Water Rights/Permit granted by NWRB* • *Campaign on Clean Water Awareness* • *Watershed protection thru tree planting activities*
What are the Risk/s Identified?		
• *Reduction of available flow of raw water* • *Water pollution* • *Shortage in supply of power, fuel, etc.*		
What are the Opportunity/ies Identified?		
• *Operating cost reduction* • *Better returns*		

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

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	33	sites
Habitats protected or restored	9.28	Ha.
IUCN[4] Red List species and national conservation list species with habitats in areas affected by operations	n/a	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
• *Preservation of quality of well/catchment area* • *Loss of forest covers due to clearing* • *Facility damage due to natural calamities* • *Substandard facilities*	• *Employees* • *Community*	• *Monitor water quality of well/catchment area* • *Clean water awareness campaign geared towards communities around catchment area* • *Reforestation of cleared areas if necessary* • *Proper design of facilities* • *Area protection thru perimeter fencing/lighting and deployment of security personnel* • *Tree planting activities within the protected areas*
What are the Risk/s Identified?		
• *Air emissions/pollution* • *Water pollution* • *Disturbance of flora and fauna*		
What are the Opportunity/ies Identified?		
NONE		

[4] International Union for Conservation of Nature

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions • Aviation Services • Water Supply Services	 3,755.33 0.56	 Tonnes CO_2/year
Energy indirect (Scope 2) GHG Emissions • Aviation Services • Water Supply Services	 7,556.31 n/a	 Tonnes CO_2/year
Emissions of ozone-depleting substances (ODS)	0.6	Tonnes

<table>
<tr><th>What is the impact and where does it occur? What is the organization’s involvement in the impact?</th><th rowspan="6">Which stakeholders are affected?</th><th rowspan="6">Management Approach</th></tr>
</table>

<table>
<tr><th>What is the impact and where does it occur? What is the organization’s involvement in the impact?</th><th>Which stakeholders are affected?</th><th>Management Approach</th></tr>
<tr><td>• Concentration of gas emissions from operation of vehicles and equipment</td><td rowspan="5">• Employees
• Proponent
• Contractor</td><td rowspan="5">• Provided air pollution control devices on vehicles and equipment to ensure government regulations are met.
• Utilization of more environmentally friendly gensets that serve as backup source in case of power outages.
• Reduction of carbon footprint thru utilization of vehicles and equipment that are fuel efficient</td></tr>
<tr><td>What are the Risk/s Identified?</td></tr>
<tr><td>• Emission of air pollutants from pumping and genset operation</td></tr>
<tr><td>What are the Opportunity/ies Identified?</td></tr>
<tr><td>None</td></tr>
</table>

Air pollutants

Disclosure (Aviation Services)	**Quantity**	**Units**
NO_x	225	ppm
So_x	1.87	ppm
Particulate matter (PM)	1.63	ppm

Disclosure (Water Supply Services)	**Quantity**	**Units**
NO_x	3.11	Tonnes/year
Volatile organic compounds (VOCs)	0.25	Tonnes/year
CO	0.66	Tonnes/year
TSP	0.22	Tonnes/year
Particulate matter (PM)	0.22	Tonnes/year

What is the impact and where does it occur? What is the organization's involvement in the impact?	***Which stakeholders are affected?***	***Management Approach***
• *Air quality degradation* • *Noise production*	• *Employees* • *Proponent* • *Contractor*	• *Provided air pollution control devices on vehicles and equipment to ensure government regulations are met* • *Utilization of more environmentally friendly gensets that serve as backup source in case of power outages* • *Strictly practiced good housekeeping and followed preventive maintenance schedules of all equipment and vehicles* • *Control vehicle speed to lessen suspension of road dust* • *Conduct water spraying on roadworks to suppress dust sources and minimize discomfort to nearby residents.* • *Provided PPEs to employees working in areas with excessive noise*
What are the Risk/s Identified?		
• *Release of air pollutants from use of vehicles and equip ment* • *Generation of dusts from roadworks* • *Excessive noise generation from operation of equipment*		
What are the Opportunity/ies Identified?		
-none-		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	907	tons/yr
Recyclable	236	tons/yr
Residuals/Landfilled	3,351	tons/yr
Waste sludge	95	tons/yr

<table>
<tr><th>What is the impact and where does it occur? What is the organization’s involvement in the impact?</th><th>Which stakeholders are affected?</th><th>Management Approach</th></tr>
<tr><td>• Solid waste generation
• Solid waste disposal
• Sludge production</td><td rowspan="5">• Employees
• Proponent
• Community
• Contractor</td><td rowspan="5">• Implemented an Ecological Solid Waste Management Plan (ESWMP)
• Solid waste segregation
• Established a material recovery facility
• Encouraged recycling and reuse
• Provided appropriate and sufficient solid waste receptacles and bins
• Coordinated with municipal/city solid waste collectors
• Engaged third party private solid waste collectors
• Properly treated, stored, and disposed sludge thru third party DENR licensed/accredited haulers</td></tr>
<tr><td>What are the Risk/s Identified?</td></tr>
<tr><td>• Soil/Land contamination
• Health hazard</td></tr>
<tr><td>What are the Opportunity/ies Identified?</td></tr>
<tr><td>• Operating cost reduction
• Better returns</td></tr>
</table>

Hazardous Waste

Disclosure (Water Supply Services)	Quantity	Units
• Total hazardous waste generated (stored on-site) • Waste oil/used oil • Busted LED components	242 81 195	Containers MT/year pcs
• Total hazardous waste reused a) Empty containers (reused)	472	containers
Total hazardous waste transported • Empty containers • Waste oil/used oil	1,316 54	containers MT/year

Disclosure	Quantity	Units
Total weight of hazardous waste generated	283	tons/year
Total weight of hazardous waste transported	331	tons/year

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
• *Handling of hazardous substances* • *Accumulation of spent chemical containers* • *Expired unused chemicals*	• *Employees* • *Proponent* • *Community*	• *Strictly followed Occupational Safety and Health Standards and practices* • *Used appropriate PPEs in handling hazardous materials* • *Segregated and tagged spent material containers into hazardous, non-hazardous, biodegradable, and recyclables* • *Recycled, repurposed, and re-used non-hazardous, biodegradable, and recyclable spent containers of materials* • *Properly disposed spent containers of hazardous materials and expired/unused materials thru third party DENR licensed/accredited haulers*
What are the Risk/s Identified?		
• *Spill of hazardous substances* • *Health and safety hazard*		
What are the Opportunity/ies Identified?		
• *Cost savings*		

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	3,373,308	Cubic meters
Percent of wastewater recycled	0.31	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
• *Wastewater generation* • *Wastewater discharge*	• *Employees* • *Shareholders* • *Customers* • *Community*	• *Adopted appropriate and effective wastewater treatment technologies* • *Properly operated wastewater treatment facilities* • *Adopted "treat-at-point source" strategy* • *Regularly monitored wastewater quality being discharged* • *Established in-house testing laboratories for wastewater quality monitoring*
What are the Risk/s Identified?		
• *Contamination of land and water bodies* • *Suspension/revocation of discharge permit*		
What are the Opportunity/ies Identified?		
• *Reduction of demand for fresh water* • *Additional revenue from treated wastewater reuse*		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	none	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	1	instance
No. of cases resolved through dispute resolution mechanism	1	instance

<table>
<tr><th>What is the impact and where does it occur? What is the organization's involvement in the impact?</th><th>Which stakeholders are affected?</th><th>Management Approach</th></tr>
<tr><td>Acquisition of Environmental Compliance Certificate
Pollution
- Air
- Water
- Land</td><td rowspan="5">Employees
Shareholders
Customers
Community</td><td rowspan="5">Necessary permits were acquired and other government requirements are met prior to implementation of programs /projects
Ensured strict compliance to government environmental laws and regulations</td></tr>
<tr><td>What are the Risk/s Identified?</td></tr>
<tr><td>Business stoppage</td></tr>
<tr><td>What are the Opportunity/ies Identified?</td></tr>
<tr><td>-NONE-</td></tr>
</table>

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[5]	4,390	
a. Number of female employees	1,880	#
b. Number of male employees	2,510	#
Attrition rate[6]	16%	rate
Ratio of lowest paid employee against minimum wage	1.70 : 1	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	30%	42%
PhilHealth	Y	23%	25%
Pag-ibig	Y	26%	34%
Parental leaves	Y	2%	8%
Vacation leaves	Y	49%	73%
Sick leaves	Y	44%	61%
Medical benefits (aside from PhilHealth))	Y	43%	38%
Housing assistance (aside from Pag-ibig)	N	0%	0%
Retirement fund (aside from SSS)	Y	0%	1%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	Y	13%	17%
Flexible-working Hours	Y	4%	7%
(Others)	N	0%	0%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
• *The company ensures that all benefits are available to its employees and all government mandated contributions are being processed on time as mandated by the Philippine law.*	• *Strict monitoring of the availment and administration of benefits.*

[5] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[6] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

• *Employee benefits motivate workers thus increasing productivity and loyalty towards the Company.* • *It can help the company to differentiate business from its competitors.*	• *Strict monitoring in the payment of the monthly contributions in SSS, Philhealth, and Pagibig.* • *Management addresses the concerns via the climate survey conducted yearly. Town hall meeting conducted every quarter to update employees of the company's performance. Management exercises open door policy.*
What are the Risk/s Identified?	**Management Approach**
• *Employees have a tendency to be complaisant since the benefits are readily available to them.* • *Tendency to exhaust all loan benefits resulting to low monthly income.* • *Some employees are showing lack of interest or concern.* • *Some employees are not well informed of the available benefits.*	• *Strict monitoring of the availment of benefits.* • *Information dissemination on the available benefits to all employees.*
What are the Opportunity/ies Identified?	**Management Approach**
• *To further improve employee benefit on top of what is already provided.* • *Unilateral application of all employee benefits across all subsidiaries.*	• *To study and re-evaluate existing policy on employee benefits and look for areas to improve.*

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	12,061.50	hours
b. Male employees	18,160.93	hours
Average training hours provided to employees		
a. Female employees	17.21	hours/employee
b. Male employees	16.79	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach

• *Providing training to employees ensures continuous learning and the acquisition of new skills on the part of the employees. The ultimate benefit will be to the organization if employees continuously learn new skills.* • *Classroom and actual training is being given to all employees prior to deployment as needed/required by client airlines in the aviation industry* • *Developing more skilled employees also increases the productivity of the company.*	• *It is the obligation of the management to provide training and opportunity for the development of every employee.* • *It is the management's responsibility to equip its employees by providing the best training possible needed in performing their jobs as part of their daily task.*
What are the Risk/s Identified?	**Management Approach**
• *It is highly possible that employees would be tempted to seek greener pastures if and when their skills are enhanced.* • *Some employees would want a salary increase to commensurate the new skills learned.* • *It was a challenge to provide training to employees because of the cost-cutting measures in place due to the financial effect of the pandemic to the company's operations.*	• *To discourage employees from seeking employment elsewhere after receiving training, management should make salary adjustments to maintain a competitive rate.* • *Company should give a clear vision on the career path of the employees.* • *Continued sourcing for external and internal candidates for succession planning purposes.*
What are the Opportunity/ies Identified?	**Management Approach**
• *Management will be assured that its employees are among the best in the industry with competitive salary package.* • *Employee will become more productive with less supervision.* • *With the professional and continual growth of the employees, the company is able to produce a well competent employee with the right learning support.*	• *Management should consider employee training and development as part of its corporate goals.* • *Provide developmental assignments or projects to the employees to foster growth.*

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%

Number of consultations conducted with employees concerning employee-related policies	20	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
• *Since the Company is unorganized, a Collective Bargaining Agreement or CBA has no impact.*	• *To establish an open line of communication with the employees and to make sure that their grievances are properly addressed.* • *Company policy rules and regulation must be clear to all employees to minimize or prevent confusion.*
What are the Risk/s Identified?	**Management Approach**
• *An unorganized establishment would always be at risk of being organized anytime.*	• *Management should always be attentive to the sentiments of its employees.* • *Management has an open-door policy.*
What are the Opportunity/ies Identified?	**Management Approach**
• *Management and employees should continuously have an open communication and develop rapport and coherence with regards to the company's rules and regulations.*	• *Management should consider the creation of a Labor-Management Council or LMC to provide a venue for employees to air their grievances.*

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	29.23%	%
% of male workers in the workforce	70.77%	%
Number of employees from indigenous communities and/or vulnerable sector*	10	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
• *The data provided reflects management's commitment to gender equality giving the*	• *The company has taken suitable measures in implementing policies that*

same privileges and equal job opportunities to all.	*will give equal opportunities for all employees.* • *The company is paying equal remuneration and benefits for work of equal value to all its employees regardless of gender.* • *Maintain and respect diversity.*
What are the Risk/s Identified?	**Management Approach**
• *Limitations to hiring of persons with identified medical challenges that would not allow them to handle food or be assigned in ground handling airport services.*	• *Maintain and respect diversity.*
What are the Opportunity/ies Identified?	**Management Approach**
• *A gender-balanced and diversified environment will be conducive to equal opportunities to for all employees to work hand in hand with the company towards reaching their corporate goals thru creativity and sharing of new ideas.*	• *Maintain and respect diversity.*

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	9,075,694.58	Man-hours
No. of work-related injuries	22	#
No. of work-related fatalities	1	#
No. of work related ill-health	206	#
No. of safety drills	6	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
• *A safe and healthy workplace ensures efficiency and high productivity.* • *With the Health & Safety Workplace policy program of the company, employees are assured for a good place to work with.*	• *Compliance to regulatory requirements and to labor laws on Occupational Safety and Health* • *Management should keep and maintain a safe and healthy workplace.*

• *OHS department conducts safety-related programs on medical and work methods as required by the local government and clients.*	• *Reduce injury and lost day rate by committing to targets per year.*
What are the Risk/s Identified?	**Management Approach**
• *Possible non-compliance the requirement leading to unsafe working conditions, accidents of workforce, or non-issuance of permits.* • *Management should classify which areas are risk-prone compared to others and provide the necessary policy to minimize or address the risk involved.* • *Limited number of safety drills were conducted due to the pandemic.*	• *Compliance to regulatory requirements and to labor laws on Occupational Health and Safety* • *Proper labelling and wearing of Personal Protective Equipment should be a mandatory practice.* • *The management conducts training, development and awareness to all employees about OSH.* • *Plan and propose to have safety drills that will adhere to the safety and health protocols during pandemic.* • *Providing free antigen testing to employees, as needed and based on DOH guidelines.*
What are the Opportunity/ies Identified?	**Management Approach**
• *To further improve efficiency and productivity through providing a safe work environment.* • *Wellness opportunities contributory to the improvement of performance of the workforce.*	• *To follow government regulations regarding health and safety.* • *The use of Safety Hazard & Security forms, employees and management can now easily identify and classify the risks and report it to the authorities for prevention.* • *The company regularly conducts safety audits and trainings.*

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	*Found on MACS Employee Handbook
Child labor	Y	*Found on MACS Employee Handbook
Human Rights	Y	*Policy on Against Fellow Employee/Authority found in the MAC, MACS and MASCORP Employee Handbook.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
• *The data reflects the organization's strict compliance to labor laws and related government issuances regarding Labor and Human Rights.* • *The DOLE Certificate of Labor Standard issued to the company is a proof that the company is adhering to the Philippine Labor Laws.*	• *To continue its current practice and at the same time look for possible areas to improve.* • *For the company to continue to adhere with DOLE's rules and regulations.* • *The company ensures the implementation of due process.*
What are the Risk/s Identified?	**Management Approach**
• *Employees may not be aware of the company policies or have forgotten it during their employment.*	• *To continue its current practice and at the same time look for possible areas to improve.* • *Conduct employee orientation and refresher courses to establish the company policies to all its employees.*
What are the Opportunity/ies Identified?	**Management Approach**
• *Government or private sector recognition as well as less exposure to labor or other cases.*	• *To continue its current practice and at the same time look for possible areas to improve.* • *Establish policies that would secure the interest of the employees.*

*Against Fellow Employee/Authority					
Offense	Corrective Action				
	1st	2nd	3rd	4th	5th
1. Making false and malicious accusations (libel) against co-workers or fellow employees.	3	15	D		
3. Provoking a fight, inflicting injury, intimidating, threatening, insulting, and harassing a co-employee for any reason at anytime within the Company premises.	7	15	D		
4. Discourtesy and disrespectful acts towards superior, company visitors, representative or fellow employee.	7	15	D		

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Yes, supplier must accomplish/comply with the accreditation requirement checklist (including the Supplier Accreditation Info Sheet (SAIF)

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	• *Reference is made in the SAIF to determine if supplier is ISO Certified and has passed environment programs* • *Environment Management Program* • *Submission of Sanitary Permit; DENR Compliance*
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	Y	• *Supplier signs an Oath of Integrity, which highlights the ethics and moral guidelines that each supplier should adhere to.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
• *The more we require our suppliers to conform with our procurement regulations, better coordination is achieved.* • *Proper evaluation and selection of compliant supplier.*	• *To see to it that all our accredited suppliers are compliant with our requirements.* • *Oath of Integrity, Working Conditions Communication, Compliance to Documentary Requirements, Audits, Inspections*

• *Non-Compliance from Suppliers & Service providers (Supply chain) – Continuing communication with Suppliers & Service providers on compliance to above topics / requirements (with emphasis that monitoring / surveillance is not just documentary requirement compliance but will also include audits / inspections)*	
What are the Risk/s Identified?	**Management Approach**
• *Non-compliant suppliers may lead to more DOLE, DTI, BIR, SEC, and other related case exposure* • *Supplier Risk- Lack of offers from suitable vendors which can result to higher prices of goods and services or loss business opportunities* • *Over/under forecasting of needs.* • *Failure to forecast, plan and consult with end users which can result in delay in lead time and/or disrupted delivery schedules.*	• *Assign personnel to monitor and evaluate supplier's compliance with procurement guidelines* • *Establish and develop a wider base of suppliers by securing firm contracts* • *More efficient procurement planning and forecasting* *a) Active collaboration between purchasing and the requesting departments.* *b) Procurement Planning- Identifying and consolidating requirements* *c) Determine just in time schedules* • *Development of Audit & Inspection Checklists focused on above topics / requirements to be used as Assessment / Verification tools at least after 6 months of Supplier / Service provider commitment to above topics / requirements*
What are the Opportunity/ies Identified?	**Management Approach**
• *Activities are within legal framework.* • *Strengthening of Organizational Communication & Compliance of Suppliers & Service providers*	• *Create a team to monitor from time to time the compliance of all suppliers. Conduct spot audit.* • *Inclusion of above in Management Review & during Top Management meetings;* • *Development of Scoreboard as Supplier / Service provider Performance tool*

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Securing of Certificates for Benefits Availment	*Local Barangay/ Municipality*	*Applicable for Solo Parents*	*N*	*Compliance to the Solo Parent Act*	*Enhancement measures*
Securing of HALAL Development Institute of the Phils. (HDIP) Certificate	*Local Islam Community*	*N/A*	*Y*	*Requirements for employee HALAL crew.*	*Enhancement measures*
Securing Bureau of Quarantine – Yellow Cards	*BOQ*	*All employees*	*N*	*Requirement for Food Handlers within Airport premises*	*Enhancement measures*
Continued certification for TESDA Apprenticeship program	*TESDA Office*	*All Apprentices*	*N*	*Continued accreditation for assessment*	*Enhancement measures*
Certificate of No Objection to water project	*LGU's,*	*Community*		*Water Rights*	*Enhancement measures*

**Vulnerable sector includes children and youth, 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)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____________

Certificates	Quantity	Units

FPIC process is still undergoing		#
CP secured		#

What are the Risk/s Identified?	Management Approach
• *Dent in the community relation*	• *Open communication and CSR activities*
What are the Opportunity/ies Identified?	
• *Establishing and strengthening the relations with the local community sectors*	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	*95.5%*	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
• *Customer satisfaction indicates the importance of the value of the product and service provided which fulfills the clients' expectation. It occurs mainly in the performance of essential services as identified by the client, with focus on the service quality of labor force, the reliability and dependability of equipment, and product quality. We ensure that service standards are met if not exceeded at a competitive price. When clients are satisfied with the services provided, they will not hesitate to extend their partnership.* • *Improvement of business relationship and continuing business engagement with customer.* • *Developing trust further as evidenced by a long-time partnership with clients.*	• *Strict compliance to service standards required and to ensure adherence to customer plans and directions. Quick to respond to demands, strategies and innovations akin to world-class service.* • *Continuous coordination with customers and ensuring communication lines are open to enable clients to provide valuable feedback on services that are consider exceptional; needed to be upheld; and needed to be improved.* • *We conduct the client survey annually to check on how the clients rate the service that we provide. Customer commendations and complaints are also monitored so that commitment and actions may be effected.* • *Customer Management Program* • *Customer Concern Report*
What are the Risk/s Identified?	**Management Approach**

• *Dissatisfaction of clients. Loss of trust and confidence of clients which may lead to contract termination.* • *Delayed delivery, Penalties as stipulated in Service Level Agreement.* • *Clients may opt to go on tender to check available services from competitor companies.* • *Competition as well as the implications brought about by the current pandemic situation. Ability to meet targets planned out at the start of the year.* • *Focus on cost reduction of airlines as a result of the negative effect on the travel industry by the current pandemic*	• *Be available to respond in a timely manner to concerns raised by client airline and provide viable solutions that will be mutually beneficial to both parties.* • *Work together with the client airlines to establish areas where in costs may be reduced without sacrificing the service level.* • *Although unhappy customers won't love us if we give bad service, our competitor will. We take care of every one of our clients' need and we are rewarded with their trust and loyalty.* • *Inclusion of reporting of complaints including trending to assess vulnerabilities and areas / opportunities for improvement via Top Management Meeting* • *Maintain high standards and good quality services, including continued training and developing skills of personnel.* • *Instill resilience from the adverse effects of the pandemic*
What are the Opportunity/ies Identified?	**Management Approach**
• *Enhancement of image to which can lead to more customer airlines and managing costs to be more competitive.* • *Through word of mouth, our reputation as the market leader entices potential clients to invite us to tender projects/contracts.* • *Continuing Improvement via Strengthening of Programs, Policies & Procedures connected to complaints raised.* • *Business continuity and agility to exist in the new normal environment.*	• *Keeping the customers satisfied helps us stand out from the competition.* • *All invitations to tenders are accepted.* • *Inclusion of reporting of complaints including trending to assess vulnerabilities and areas / opportunities for improvement via Top Management Meeting* • *Focus on the development of the workforce to increase skill level through trainings and proper coaching and periodically review expenditures to ensure cost efficiency.* • *Operate a well thought-of approach in adapting to the new normal environment*

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	2 (Local)	#
No. of complaints addressed	2 (Local)	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
• *Food safety complaints' impact is on customer satisfaction and compliance to regulatory and statutory requirements. Occurrence is within the food supply chain from raw material source, processing until delivery of the products.* • *Reported employees not wearing PPEs, Face Mask during Work Schedule*	• *We follow and comply with:* *a. Quality and Food Safety Management Systems* *b. Regulatory and statutory requirements* *c. Customers standards* • *Reiteration memo on COVID health and safety practices in the workplace (MAC HO HRA Inter-Office Memorandum [IOM] 2022-19), Provided Health Teaching bulletin advisory, Health Declaration advisory*
What are the Risk/s Identified?	**Management Approach**
• *Loss of customer; Lawsuits; Cease and desist order from regulatory agencies.* • *Employees are prone to COVID infection.* • *Employee hygiene and safety.*	• *Implementation of the Quality and Food Safety Systems* • *Reiteration memo on COVID health and safety practices in the workplace (MAC HO HRA Inter-Office Memorandum [IOM] 2022-19), Provided Health Teaching bulletin advisory, Health Declaration advisory* • *Deliberate efforts to promote and practice employee core values and instill excellence in service delivery.*
What are the Opportunity/ies Identified?	**Management Approach**
• *Better customer service* • *Open communication with regulatory agencies*	• *Feedback mechanism; immediate actions on issues*

• *Employees realization on the seriousness of COVID affecting himself/herself and also, the workplace.* • *Employees adapting to the New Normal* • *Review business process and enhance the quality of service*	• *Affiliations/ membership with organizations related to the business circle.* • *Reiteration memo on COVID health and safety practices in the workplace (MAC HO HRA Inter-Office Memorandum [IOM] 2022-19), Provided Health Teaching bulletin advisory, Health Declaration advisory* • *Review of business framework following a four-fold approach involving processes, people, productivity, and profitability.*

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	1 complaint received.	11 Foreign Airlines (catering)
No. of complaints addressed	1 – Ycls refreshment	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
• *Impact of hygiene-related concerns and complaints on Catering Performance Evaluation (CPE)* • *The complaints will impact us through penalties imposed on us based on the Service Level Agreements. In this case, the refreshments would not be billed to client.* • *The penalties are unplanned additional expense.*	• *Strengthen Food Safety Policy; this includes a commitment to satisfy applicable food safety requirements, including statutory and regulatory requirements and mutually agreed customer requirements related to food safety. It also includes a commitment to continual improvement of the Food Safety Management System (FSMS) thereby addresses the need to ensure competencies related to food safety.* • *Staff and partners at work are reminded to adhere to the quality policy.* • *Internal process audits are being carried out.* • *Quality, quantity checks are performed on a regular basis to ensure that the meals provided meet the expectation of the clients*

What are the Risk/s Identified?	Management Approach
• *Complaints will impact reputation and client retention.* • *Possible demerits on Catering Performance Evaluation (CPE)*	• *Operational meetings are held regularly to discuss processes and standards, its strict implementation, and its continual improvement.* • *100% compliance to Critical Control Points (CCP) monitoring by regular reviewing of relevant procedures, periodic trainings, and conscientious recording.* • *Zero (0) Food Safety- related product complaints and recalls - compliance to CCPs, strict adherence to food safety programs and procedures, awareness to GMP and personal hygiene.*
What are the Opportunity/ies Identified?	**Management Approach**
• *Client retention* • *Emerging demand for Food Safety Certification and continual improvement*	• *Client concerns are acknowledged, and the Management sees to it that the complaint is addressed, and corrective actions are carried out the soonest possible time. This way, the client will feel that their feedback is important and that they are taken care of.* • *Invest on trainings and certifications related to food safety as well on the continuous pursuit of improvement of the FSMS* • *Continuous synergies with sister companies to benchmark and adapt best practices related to food safety*

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach

• *The trustworthiness of the clients/customers to our company*	• *Our clients' privacy is important. Names or personalities, ideas, recipes, and other confidential information are not shared within and outside the organization. Employees are reminded of confidentiality and the data privacy law through conducting an employees' orientation.* • *The company is committed to protecting the personal data of all its stakeholders, be they employees, business partners, stockholders, suppliers or customers. Fulfilling this commitment is an important business principle and a central condition for the company's success.*
What are the Risk/s Identified?	**Management Approach**
• *Loyalty of the client to our company.*	• *Information shared without client permission may result to the clients' loss of trust.* • *Data Privacy policy sets out minimum requirements for the way personal data is processed throughout the company.*
What are the Opportunity/ies Identified?	**Management Approach**
• *Having a good reputation built with our existing clients gives us an opportunity to be endorsed to potential clients.*	• *Potential clients and customers will be eager to get to know the company and be provided by MAC Group's services. They would keep us in mind for future tender requirements.* • *The company to protect people's privacy and prevent their data from being misused. We are aware of the potential harm caused by unlawful data processing and have therefore established a standard to minimize this risk.*

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	Cases of data breaches including leaks, thefts and losses

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
• *Cases of data breaches will have a great impact on the corporation as they can cause reputational damage to the company by exposing sensitive or protected company data or information over the dark web or the internet in general. Compromised data/information (i.e. company files, emails, etc.) may lead to identity theft and may cause substantial financial damage to data owners.*	*The company has several countermeasures in place to mitigate such incidents.* • *The company’s migration of its email infrastructure to Microsoft Office 365 has afforded the company to make use or take advantage of the inherent security of Microsoft in safeguarding users email accounts from being compromised.* • *A Firewall appliance is also in place to secure the company’s network perimeter from unwanted access to and from our corporate network. Policies set forth in the firewall allows the company to ensure that access to the network, as well access to data and information inside the network is essentially and effectively secured. Data protection is paramount in every security policy implementation within the company network.* • *Upgraded the Antivirus to cloud version and using Kaspersky Endpoint to be able to monitor the network activity and devices even outside the office using Kaspersky Security Center Cloud Console to avoid any threat.* • *For the ground handling company, multiple layers of security are in place: Menlo Isolation Security (used for web and email isolation as protection for Ransomware and other fly by malware) & Checkpoint EDR (for endpoint and device protection).*
What are the Risk/s Identified?	**Management Approach**
• *A data breach is a cyber-attack where information is stolen or taken from a system without the knowledge or authorization of the system’s owner. Data breaches include data losses and data leaks and thefts.*	• *The company ensures that all its security policies are up to date to ensure applicability to the ever-evolving security environment. Security patches on all network equipment is ensured for optimal usage and maximum defense. Data security policies is constantly reviewed during the year.*
What are the Opportunity/ies Identified?	**Management Approach**

• *The company is always mindful of the opportunity to implement additional security measures to ensure the safety and security, not only of its data and information, but also that of its employees. In the event of a breach, recovery and restoration (data backup) is of paramount activity.*	• *Constantly update user logins on VPN, strict enforcement of Password policies, continuous monitoring of system and network logs.* • *The company will always be on the lookout for applicable security solutions to ensure security of its data.*

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Potable Water	*Clean Water*	*Over-extraction of water*	*Ensure availability of water and sustainable management of water*
Treated Waste Water	*Sanitation*	*Land, water, and air pollution*	*Conserve and sustainably use the oceans, seas, and marine resources*
Aviation Support Services	*Decent employment and sustainable economic growth*	*Susceptible to contamination and pollution concerns*	*Ensure sustainable consumption and production patterns*

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

MACROASIA CORPORATION
Certified list of stockholders
As of February 28, 2023

	Holder No.	Name	No. of Shares	Percentage
1	16018907	PCD NOMINEE CORPORATION (FILIPINO)	430,407,487	22.2627718603
2	00000216	BAGUIO GOLD HOLDINGS CORPORATION	137,280,000	7.1007903285
3	00001083	CONWAY EQUITIES, INC.	132,771,600	6.8675939188
4	00001036	PAN ASIA SECURITIES CORP.	106,958,302	5.5324044026
5	00000224	SOLAR HOLDINGS CORPORATION	92,040,000	4.7607571520
6	00001064	DRAGONSTAR MANAGEMENT CORP.	83,850,000	4.3371304563
7	16018906	PCD NOMINEE CORPORATION (NON-FILIPINO)	57,334,107	2.9655993042
8	16029919	PROFOUND HOLDINGS, INC.	74,100,000	3.8328129614
9	00001082	EXCELVENTURES, INC.	73,951,800	3.8251473355
10	00001081	BIGEARTH EQUITIES CORPORATION	72,540,000	3.7521221622
11	00000215	PALOMINO VENTURES, INC.	45,084,000	2.3319640965
12	00001063	MACROASIA CORPORATION	40,911,700	2.1161524161
13	00001074	ABSOLUTE HOLDINGS & EQUITIES, INC.	39,000,000	2.0172699797
14	00001078	ARTISAN MERCHANDISING CORP.	39,000,000	2.0172699797
15	00001066	CARAVAN HOLDINGS CORPORATION	39,000,000	2.0172699797
16	00001075	CLIPPER 8 REALTY & DEVELOPMENT CORP.	39,000,000	2.0172699797
17	00001076	GOLDEN PATH REALTY CORPORATION	39,000,000	2.0172699797
18	00001079	PRIMELINE REALTY, INC.	39,000,000	2.0172699797
19	00001065	QUALITY HOLDINGS, INC.	39,000,000	2.0172699797
20	00001077	SUNWAY EQUITIES, INC.	35,053,200	1.8131222577
21	00001071	BASIC OPTIONS, INC.	34,320,000	1.7751975821
22	00001072	BESTVIEW DEVELOPMENT CORP.	34,320,000	1.7751975821
23	00001073	INFINITY EQUITIES INCORPORATED	34,320,000	1.7751975821
24	00001067	KINSTON REALTY & DEVELOPMENT CORPORATION	34,320,000	1.7751975821
25	00001068	LEGACY HOLDINGS, INC.	34,320,000	1.7751975821
26	00001069	PRIMA EQUITIES & INVESTMENTS CORP.	34,320,000	1.7751975821
27	00001070	WINSOR MERCHANDISING CORP.	34,320,000	1.7751975821
28	00000217	WONDEROAD CORPORATION	12,500,000	0.6465608909
29	00000222	HARRTAN REALTY CORPORATION	3,900,000	0.2017269980
30	00000096	CA/1001-064711	3,120,000	0.1613815984
31	00001034	GREGORIO M. BATILLER, JR.	1,560,000	0.0806907992
32	00001102	IRENE TAN LUY	1,560,000	0.0806907992
33	00001104	JESELYN TAN YU	1,560,000	0.0806907992
34	00001101	ROWENA TAN CHUA	1,300,000	0.0672423327
35	00001100	SHEILA TAN PASCUAL	1,560,000	0.0806907992
36	00001103	VIVIENNE K. TAN	1,560,000	0.0806907992
37	01029387	ASIA LINK HOLDINGS PTE. LTD.	838,580	0.0433754426
38	00000016	AGNES M. ZULUETA	592,800	0.0306625037
39	01029381	ANSELMO, TRINIDAD & CO., INC.	473,694	0.0245017612
40	00001028	FLORENTINO M. HERRERA III	358,800	0.0185588838
41	00000044	LEONARDO T. SIGUION-REYNA	312,000	0.0161381598
42	00000201	BENJAMIN TIONG SIN AI	234,000	0.0121036199
43	00000037	EMILIO C. YU	195,000	0.0100863499

44	00000129	ANTONIO B. CHENG	195,000	0.0100863499
45	02013026	JAIME J. BAUTISTA	195,000	0.0100863499
46	03029360	JOSEPH T. CHUA	195,000	0.0100863499
47	20014304	LUCIO K. TAN, JR.	195,000	0.0100863499
48	20014296	MARIANO C. TANENGLIAN	195,000	0.0100863499
49	00000153	MOTORTRADE NATIONWIDE CORPORATION	195,000	0.0100863499
50	26000971	LOZANO A. TAN	179,400	0.0092794419
51	15006496	DIONISIO ONG	174,096	0.0090050932
52	04011433	CARLOS DYHONGPO	162,240	0.0083918431
53	00001059	BEN C. TIU	156,000	0.0080690799
54	00001061	CARMEN K. TAN	156,000	0.0080690799
55	00001031	ENRIQUE M. ABOITIZ, JR.	156,000	0.0080690799
56	06016410	HECTOR FLORENTO	156,000	0.0080690799
57	00000148	JOSEPH LIM A/C ILIMJS01	156,000	0.0080690799
58	00001088	LUCIO C. TAN	156,000	0.0080690799
59	00001108	LUCIO CHEN TAN III	156,000	0.0080690799
60	00001087	MARIXI R. PRIETO	156,000	0.0080690799
61	00001089	MICHAEL G. TAN	156,000	0.0080690799
62	00001093	SAMUEL CANG UY	156,000	0.0080690799
63	19026065	GEORGE SYCIP	150,000	0.0077587307
64	00001107	KYLE ELLIS CHEN TAN	124,800	0.0064552639
65	00001109	EDUARDO TAN LUY	120,000	0.0062069846
66	00000076	ANNIE CHU CHUA	39,200	0.0020276150
67	10004837	JOSEPH CHUA & CO., INC.	108,357	0.0056047519
68	00000123	BONIFACIO YAO	93,600	0.0048414480
69	00000079	ANGEL DY	78,000	0.0040345400
70	00000213	ANTONIO S. DY (VSK-38)	76,440	0.0039538492
71	00000068	LO LAN YING	73,320	0.0037924676
72	15006503	ONG SECURITIES CORPORATION	54,108	0.0027987293
73	20014234	GEORGE D. TAN	53,976	0.0027919017
74	09005658	IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	49,998	0.0025861401
75	09005662	I. ACKERMAN & CO., INC.	47,080	0.0024352069
76	26000965	TEE LING KIAT &/OR LEE LIN HO	39,390	0.0020374427
77	00000144	MA. THERESA T. DEFENSOR A/C IDEFMA01	39,000	0.0020172700
78	05004812	E. SANTAMARIA & CO., INC.	38,906	0.0020124078
79	05004815	EBC SECURITIES CORPORATION	37,050	0.0019164065
80	07015615	G.D. TAN & CO., INC.	35,232	0.0018223707
81	18014969	R. COYIUTO SECURITIES, INC.	35,175	0.0018194223
82	26000950	ZENAID YAP GO	35,100	0.0018155430
83	13017308	MARIANO YU & CO., INC.	33,360	0.0017255417
84	02013022	BA SECURITIES, INC.	31,200	0.0016138160
85	08012218	LILY S. HO	31,200	0.0016138160
86	19026055	SECURITIES SPECIALIST, INC.	30,763	0.0015912122
87	03029265	NENITA CHING	28,080	0.0014524344
88	23001748	WEE AH KEE	27,150	0.0014043303
89	01029379	ANSALDO, GODINEZ & CO., INC.	21,554	0.0011148779
90	00000140	KENNETH C. ASUNCION A/C IASUKE01	23,400	0.0012103620
91	01029388	ASIAN APPRAISAL HOLDINGS, INC.	22,285	0.0011526888

92	20003848	TIONG SECURITIES, INC.	21,933	0.0011344816
93	04009245	DAVID GO SECURITIES CORP.	21,184	0.0010957397
94	21005981	ALFONSO UY	20,841	0.0010779980
95	10004841	J.T. FLORES JR. & CO., INC.	19,562	0.0010118419
96	00000158	OSCAR NG TAN	19,500	0.0010086350
97	26000924	RAYMUNDO R. VALENZUELA	19,500	0.0010086350
98	18014965	R & L INVESTMENT, INC.	17,877	0.0009246855
99	08012172	H. E. BENNETT SECURITIES, INC.	17,680	0.0009144957
100	18014970	R. C. LEE SECURITIES, INC.	17,316	0.0008956679
101	19026058	S. M. VALDEZ SECURITIES CORP.	16,738	0.0008657709
102	00000064	CRISTINA ENRIQUEZ	15,600	0.0008069080
103	00000092	FLORDELIZ KWAN	15,600	0.0008069080
104	00000083	JAMES KO LIM	15,600	0.0008069080
105	26000949	NG, JAMES O. &/OR ELSIE Y. NG	15,600	0.0008069080
106	12016121	LMST SECURITIES CORP.	15,444	0.0007988389
107	04011435	DEES SECURITIES CORPORATION	15,069	0.0007794421
108	03029318	CHIONG & COMPANY, INC.	15,061	0.0007790283
109	03029317	CHING & CO., INC.	14,539	0.0007520279
110	01029391	ATC SECURITIES, INC.	14,508	0.0007504244
111	01029376	ALBERT G. SEE & CO., INC.	14,352	0.0007423554
112	07015578	BETTY GO	14,040	0.0007262172
113	03029298	FRANCISCO CRUZ	14,040	0.0007262172
114	07015564	PEDRO GARCIA	14,040	0.0007262172
115	06016403	F. YAP SECURITIES, INC.	13,104	0.0006778027
116	18014964	R. R. MACHADO & CO., INC.	13,002	0.0006725268
117	10004836	JAMES UY, INC.	12,292	0.0006358021
118	00000156	ANGPING & ASSOCIATES SEC., INC.	10,000	0.0005172487
119	18014940	ROMAN CATHOLIC ARCHBISHOP OF CEBU	11,700	0.0006051810
120	23001740	YANG WAI	11,232	0.0005809738
121	17003218	QUINTANA & CO., INC.	11,169	0.0005777151
122	07015611	G & L SECURITIES CO., INC.	11,044	0.0005712495
123	19026056	SOLID STOCKBROKERS, INC.	10,795	0.0005583700
124	22005881	VICENTE GOQUIOLAY & CO., INC.	10,764	0.0005567665
125	16018873	PASONG TAMO SEC. CORP.	9,984	0.0005164211
126	12016097	SY LIN	9,944	0.0005143521
127	00001001	IRENE C. VILLONES	9,750	0.0005043175
128	00000190	ROBERT O. CAMPOS	9,750	0.0005043175
129	19025972	SIY SA	9,750	0.0005043175
130	01029367	CALITO ASTRO	9,360	0.0004841448
131	12016069	EMIL LANDERT	9,360	0.0004841448
132	25006239	YAO & ZIALCITA, INC.	8,940	0.0004624203
133	20014281	TANSENGCO & CO., INC.	8,790	0.0004546616
134	12016123	L. RECIO & CO., INC.	7,909	0.0004090920
135	26000991	CARLSON CHU (1CH54)	7,800	0.0004034540
136	00000116	DOLORES T. ONG	7,800	0.0004034540
137	07015613	GIMENEZ STOCK BROKERAGE & CO., INC.	7,800	0.0004034540
138	26000988	GUILLERMO F. GILI, JR.	7,800	0.0004034540
139	00000183	JEFFERSON YAO	7,800	0.0004034540

140	00000048	LYMA BALDERAMA	7,800	0.0004034540
141	01029382	APOLLO SECURITIES, INC.	7,425	0.0003840572
142	20014285	ARNIE D. TABLANTE	7,020	0.0003631086
143	20014223	AURELIO F. TABLANTE	7,020	0.0003631086
144	07015576	ALICE GO	6,240	0.0003227632
145	13017307	MARIANO PEAK SECURITIES, INC.	5,928	0.0003066250
146	25006238	SANDRA YULO	5,928	0.0003066250
147	12016119	LARRGO SECURITIES CO., INC.	5,880	0.0003041422
148	19026041	PABLO F. SULIT	5,865	0.0003033664
149	03029321	CU UNJING SECURITIES, INC.	5,623	0.0002908490
150	06016392	FAR EAST BANK & TRUST CO.	5,616	0.0002904869
151	00000124	YU & CO., INC.	5,132	0.0002654520
152	02013017	BENJAMIN CO. CA. & CO.	5,101	0.0002638486
153	06016404	F. C. HAGEDORN & CO.	5,085	0.0002630210
154	03029262	ANNA MICHELLE CHING	4,804	0.0002484863
155	02013016	BARCELON, ROXAS SEC., INC.	4,742	0.0002452793
156	02013021	ANUNCIACION BAUTISTA	4,680	0.0002420724
157	01029319	CARMENCITA ACAS	4,680	0.0002420724
158	00001027	CHU, ALBERT N. &/OR THOMPSON N. CHU	4,680	0.0002420724
159	19026045	CONY SY	4,680	0.0002420724
160	07015579	DAVID GO	4,680	0.0002420724
161	00000191	EDBERT GO TANTUCO	4,680	0.0002420724
162	19026046	EMERENCIANA SY	4,680	0.0002420724
163	04011421	FILEMON T. DEE	4,680	0.0002420724
164	19026014	ISIDORO B. SIAPNO	4,680	0.0002420724
165	00000088	JERMAINE TANG	4,680	0.0002420724
166	00000187	JOHANSEN C. HERNANDEZ	4,680	0.0002420724
167	08012164	JOSE C. HERNANDEZ, JR.	4,680	0.0002420724
168	18014999	LEOMAX SG REYES	4,680	0.0002420724
169	13017306	MARIANO OLONDRIZ & CIA	4,680	0.0002420724
170	02012979	ROLANDO BABASA	4,680	0.0002420724
171	07015588	ROSEMARIE GO	4,680	0.0002420724
172	20014261	SIMEON TIU	4,680	0.0002420724
173	07015609	VIVENCIO R. DE GUZMAN	4,680	0.0002420724
174	19026035	YAO LE SUAN	4,680	0.0002420724
175	02013019	B. L. TAN SECURITIES, INC.	4,414	0.0002283136
176	05004813	E.K. LINTOJUA SECURITIES, INC.	4,404	0.0002277963
177	12016122	LOPEZ, LOCSIN LEDESMA & CO., INC.	4,290	0.0002218997
178	11005565	BETTY KO	4,212	0.0002178652
179	00001029	UNIONBANK TRUST & INVESTMENT SERVICES GROUP	4,212	0.0002178652
180	24000020	XAVIER SCIENCE FOUNDATION INC.	4,212	0.0002178652
181	25006240	YAPTINCHAY SECURITIES CORP.	4,212	0.0002178652
182	06016393	FUNDS FOR ASSISTANCE TO PRIVATE EDUCATION	4,056	0.0002097961
183	15006500	WILLIAM S. ONG	3,802	0.0001966580
184	13017292	FRANCISCO T. MENDOZA	3,744	0.0001936579
185	14003958	GREGORIO Y. NARVASA II	3,666	0.0001896234
186	20014236	LILY C. TAN	3,510	0.0001815543
187	07015612	GENCOR SECURITIES, INC.	3,432	0.0001775198

188	02013020	BELSON SECURITIES, INC.	3,135	0.0001621575
189	19025978	CLOVER SALIDADOS	3,120	0.0001613816
190	20014279	GO TIM TY	3,120	0.0001613816
191	03029268	IRENE CHOA	3,120	0.0001613816
192	12016086	JENNIFER LI	3,120	0.0001613816
193	26000985	JOHN MARAMARA	3,120	0.0001613816
194	07015600	LINO GUTIERREZ	3,120	0.0001613816
195	00000024	LYDIA C. PASCUA	3,120	0.0001613816
196	18014975	MERLITA B. ROGERS	3,120	0.0001613816
197	00000046	PABLITO M. ONG	3,120	0.0001613816
198	16018841	PHIL. BANK OF COMMERCE TRUST ACCT. NO. 1-007	3,120	0.0001613816
199	03029282	PHILIP CO	3,120	0.0001613816
200	01029362	RAMON L. ARANAZ	3,120	0.0001613816
201	01029350	RICARDO ANARNA	3,120	0.0001613816
202	02012998	RICARDO BAUTISTA	3,120	0.0001613816
203	20014240	ROGER D. TAN	3,120	0.0001613816
204	21005982	UNITED SECURITIES CORP.	3,042	0.0001573471
205	03029263	BENJAMIN CHING	2,924	0.0001512435
206	01029384	A.F. GONZALES & CO., INC.	2,839	0.0001468469
207	00000078	CITISECURITIES, INC.	2,340	0.0001210362
208	10004840	J.M. BARCELON & CO., INC.	2,808	0.0001452434
209	21005978	JOEL KENWARD UY	2,808	0.0001452434
210	22005874	PATROCINIO P. VILLANUEVA	2,714	0.0001403813
211	15006504	ORTIGAS, REYES, LAT & CO.	2,683	0.0001387778
212	03014135	MANUEL S. CONCEPCION	2,652	0.0001371744
213	01029375	AARON J & E STOCKBROKERS, INC.	2,589	0.0001339157
214	16018854	FAUSTINO PE	2,568	0.0001328295
215	07015603	AQUILINO DE GUZMAN	2,534	0.0001310708
216	01029385	A.T. DE CASTRO SEC., CORP.	2,496	0.0001291053
217	01029377	ALPHA SECURITIES CORPORATION	2,496	0.0001291053
218	01029383	AQUINO, ANTONIO & VELMONTE SEC., INC.	2,496	0.0001291053
219	07015554	GENERAL BANK & TRUST CO.	2,496	0.0001291053
220	23001747	WOLFF & CO., INC.	2,378	0.0001230017
221	17003211	ANTHONY U. QUE	2,340	0.0001210362
222	19025989	ARTURO SANTOS	2,340	0.0001210362
223	02012986	AZUCENA ELIPSE BALTAZAR	2,340	0.0001210362
224	12016075	CHUA SIU LE	2,340	0.0001210362
225	01029370	EMMANUEL ATILANO	2,340	0.0001210362
226	19026021	FELOMINO SIY	2,340	0.0001210362
227	12016089	GALO LIM	2,340	0.0001210362
228	01029320	JOSE YSRAEL ACUNA	2,340	0.0001210362
229	19026020	JOYCE SISON	2,340	0.0001210362
230	08012167	LETICIA HUALDA	2,340	0.0001210362
231	02012991	MA. ASCENCION BALTAZAR	2,340	0.0001210362
232	02012992	MA. ELENA BALTAZAR	2,340	0.0001210362
233	12016101	MA. PADILLA LIZARES	2,340	0.0001210362
234	02012993	MA. THERESA BALTAZAR	2,340	0.0001210362
235	22005866	MARIA ASTOM VENTIGAN	2,340	0.0001210362

236	02013007	MARINA BERMUDES	2,340	0.0001210362
237	20014260	MARY TIU	2,340	0.0001210362
238	07015585	NINA GO	2,340	0.0001210362
239	19025985	RODOLFO SANCHEZ	2,340	0.0001210362
240	13017302	RUFINA MORENO	2,340	0.0001210362
241	03029308	ZOSIMA R. CRUZ	2,340	0.0001210362
242	02012989	JOSELITO MARIA BALTAZAR II	2,325	0.0001202603
243	20014238	LYDIA TAN	2,106	0.0001089326
244	12016066	PACIFICO LACHICA	2,106	0.0001089326
245	20014282	TUAZON, ROXAS & TORRES, INC.	2,059	0.0001065015
246	11005567	KEY SECURITIES, INC.	2,028	0.0001048980
247	10004832	MARGARITA I. JIMENEZ	1,965	0.0001016394
248	07015575	AGUSTIN K. GO	1,950	0.0001008635
249	16018840	PCI BANK SERVICE GROUP	1,934	0.0001000359
250	08012173	H. J. ORTIGAS & CO., INC.	1,918	0.0000992083
251	06016401	FEDERATION SECURITIES CORP.	1,887	0.0000976048
252	22005868	ANTHONY DE VERA	1,872	0.0000968290
253	02012977	BOARD OF TRUSTEES-RETIRING EMPLOYEES SEC. TRUST-	1,872	0.0000968290
254	19026007	CIRILO B. SERNA	1,872	0.0000968290
255	12016088	DIONISIO LIM	1,872	0.0000968290
256	03029259	PAULINO CHENG	1,872	0.0000968290
257	16018852	ROSIE M. PAPA	1,872	0.0000968290
258	20014259	SUSANA TING	1,872	0.0000968290
259	03029315	TIONG KENG CHING	1,754	0.0000907254
260	07015598	LOURDES DE GUIA	1,738	0.0000898978
261	03029248	ALLEN CHAN	1,430	0.0000739666
262	25006226	MELING YAP	1,716	0.0000887599
263	09005656	WILFREDO S. IPAPO	1,716	0.0000887599
264	19026057	S. J. ROXAS & CO., INC.	1,622	0.0000838977
265	07015580	GEORGE GO	1,591	0.0000822943
266	02013003	ALFREDO L. BENIPAYO	1,560	0.0000806908
267	26000938	AURORA DY	1,560	0.0000806908
268	01029366	AVELINA ARRIOLA	1,560	0.0000806908
269	02013010	BABY BORJA	1,560	0.0000806908
270	12016085	BELEN D. LERESA	1,560	0.0000806908
271	02013014	CHARLES R. BUTLER	1,560	0.0000806908
272	07015572	CRISTINA L. GERONIMO	1,560	0.0000806908
273	03029249	CYNTHIA P. CHAN	1,560	0.0000806908
274	20014233	DIONICIA S. TAN	1,560	0.0000806908
275	03029296	ELENA DELA CRUZ	1,560	0.0000806908
276	11005558	HELEN H. KHO	1,560	0.0000806908
277	07015582	HELENA Y. GO	1,560	0.0000806908
278	03029251	JHANINA P. CHAN	1,560	0.0000806908
279	03029252	JOSE ANTONIO P. CHAN	1,560	0.0000806908
280	03029279	JOSE H. CO	1,560	0.0000806908
281	15006498	JOSE L. ONG	1,560	0.0000806908
282	20014248	JOSE TANTOCO	1,560	0.0000806908
283	03029253	JOSE V. CHAN	1,560	0.0000806908

284	03029254	JOSEPHINE P. CHAN	1,560	0.0000806908
285	19026008	LEE SHE	1,560	0.0000806908
286	07015608	LINA DE GUZMAN	1,560	0.0000806908
287	03029255	MAGDALENA CHANBONPIN	1,560	0.0000806908
288	13017267	MARCOPPER MINING CORP. RETIREMENT PLAN	1,560	0.0000806908
289	25006234	MARIANO YU	1,560	0.0000806908
290	00000040	MILAGROS ONG MAGAT	1,560	0.0000806908
291	00001098	MYRA P. VILLANUEVA	1,560	0.0000806908
292	19026042	NOEL S. SUNGA	1,560	0.0000806908
293	05004792	ONG EH	1,560	0.0000806908
294	15006505	ORTIGAS BASIN SECURITIES CO., INC.	1,560	0.0000806908
295	19026040	OSCAR A. SULIT	1,560	0.0000806908
296	19026029	PASCUAL SORIANO	1,560	0.0000806908
297	13017275	PRIMO M. MALANSING	1,560	0.0000806908
298	16018855	RAYMUNDO G. PE	1,560	0.0000806908
299	07015586	REYNALDO GO	1,560	0.0000806908
300	20014241	ROGER G. TAN	1,560	0.0000806908
301	14003967	SOTERO NONIFACIO	1,560	0.0000806908
302	16018856	SOTERO PE	1,560	0.0000806908
303	03029283	SUSAN CO	1,560	0.0000806908
304	22005864	TEODORO VELASCO	1,560	0.0000806908
305	00000172	VICENTE LIM PANG	1,560	0.0000806908
306	00001060	VICKY B. CHUA	1,560	0.0000806908
307	19026003	AN SEE	1,435	0.0000742252
308	01029378	AMON SECURITIES CORP.	1,404	0.0000726217
309	03029276	BENITO CLEMENTE	1,404	0.0000726217
310	06016400	FAR EAST SECURITIES INC.	1,404	0.0000726217
311	22005873	GLORIA VILLANUEVA	1,404	0.0000726217
312	12016063	LAZATIN, ESTEBAN &/OR ANGELA LAZATIN	1,404	0.0000726217
313	07015589	RUFINO GO	1,404	0.0000726217
314	03029284	TERESA CO	1,404	0.0000726217
315	05004803	TOMAS ESPANOLA	1,404	0.0000726217
316	20014243	VIRGINIA TAN	1,404	0.0000726217
317	03029241	WILSON CARRION	1,404	0.0000726217
318	03029286	MANUEL COJUANCO	1,357	0.0000701907
319	12016080	LEE, FRANCIS K. &/OR ALICIA K. LEE	1,326	0.0000685872
320	16018874	PHILSEC INVESTMENT CORP.	1,326	0.0000685872
321	12016118	CO LUY	1,248	0.0000645526
322	13017293	RAMONA DEL ROSARIO VD MENDOZA	1,248	0.0000645526
323	23001743	RAY S. WILKE	1,248	0.0000645526
324	19025991	JOSEPH SANTOS	1,170	0.0000605181
325	03029245	ANTONIO CELESTINO	1,138	0.0000588629
326	09005661	ISLANDS SECURITIES, INC.	1,092	0.0000564836
327	03029322	PETER COLIANGCO	1,092	0.0000564836
328	03029306	SOLEDAD S. CRUZ	1,092	0.0000564836
329	18014967	RIZAL SECURITIES CORP.	1,076	0.0000556560
330	21005983	UY-TIOCO & CO., INC.	1,014	0.0000524490
331	05004807	MANUEL H. ESTIPONA	974	0.0000503800

332	25006233	AMY MARY JOY Y. YU	936	0.0000484145
333	12016112	ANTONIO LORENZO	936	0.0000484145
334	05004804	ANTONIO M. ESPELETA	936	0.0000484145
335	25006237	BENEDICTO YUJUICO	936	0.0000484145
336	20014264	BENIGNO A. TOLENTINO	936	0.0000484145
337	01029337	BENJAMIN ALMARIO	936	0.0000484145
338	02013013	BENJAMIN DY BUNCIO	936	0.0000484145
339	19026031	C.M. SQUILLANTINI	936	0.0000484145
340	12016078	CARMEN LEE	936	0.0000484145
341	03029270	CHI CHING CHUA	936	0.0000484145
342	19026015	CHUA PING SIM	936	0.0000484145
343	01029365	CONCHITA ARMS	936	0.0000484145
344	22005861	DEMETRIA VALERA	936	0.0000484145
345	00001058	DEMETRIO R. TUASON	936	0.0000484145
346	10004829	DOMICIANO DE JESUS	936	0.0000484145
347	03029250	EDWARD CHAN	936	0.0000484145
348	07015557	EMILIO GALANG	936	0.0000484145
349	19026010	ESTRELLA SIA	936	0.0000484145
350	12016079	EUGENIO LEE	936	0.0000484145
351	03029278	HENRY CO	936	0.0000484145
352	01029352	JACQUILINE SIM ANG	936	0.0000484145
353	10004827	JOSE JAVIER	936	0.0000484145
354	19025986	JOSE RENE Z. SANTAYAN	936	0.0000484145
355	12016092	JUDY LIM	936	0.0000484145
356	20014280	KATHRYN MARIE TY	936	0.0000484145
357	12016093	LAO BOH LIM	936	0.0000484145
358	02012983	LAUREANA DE BAIRAN	936	0.0000484145
359	03029225	MARIA LUISA CABA	936	0.0000484145
360	03029281	MARY CO	936	0.0000484145
361	01029349	MONINA ALYANDRO	936	0.0000484145
362	03029274	MORRIS SOLIMAN CHUATE	936	0.0000484145
363	16018842	POINT JUDITH INTERNATIONAL TRADING CORP.	936	0.0000484145
364	07015558	ROBERTO GALANG	936	0.0000484145
365	21005972	ROMAN UMALI	936	0.0000484145
366	11005562	SEE KIM	936	0.0000484145
367	25006235	SOLIDAD YU	936	0.0000484145
368	01029355	STEVEN SIM ANG	936	0.0000484145
369	12016076	TAN LORENZO SY LE	936	0.0000484145
370	08012171	TIU CHING HUY	936	0.0000484145
371	07015592	TOLOMEO GONZAGA	936	0.0000484145
372	13017273	TOMAS MAGPAYO	936	0.0000484145
373	03029261	UNKI CHIN	936	0.0000484145
374	03029273	VICTOR CHUA	936	0.0000484145
375	25006219	WAI YANG	936	0.0000484145
376	25006227	WILLIAM YEH	936	0.0000484145
377	01029356	WILSON SIM ANG	936	0.0000484145
378	05004791	YUJI EGAMI	936	0.0000484145
379	12016120	LICAROS BROTHERS CORP.	889	0.0000459834

380	13004783	MARINO OLONDRIZ Y CIA	866	0.0000447937
381	13017298	EMILIANA MOLINA	858	0.0000443799
382	07015619	LILY GOSIACO	858	0.0000443799
383	18014971	R. S. LIM & CO.	840	0.0000434489
384	01029325	RAFAEL T. ALBERTO	795	0.0000411213
385	03029256	ANASTACIA CHANTONG	780	0.0000403454
386	02012976	BARRIO BOOK FOUNDATION, INC.	780	0.0000403454
387	13017289	CARIDAD MARQUEZ	780	0.0000403454
388	05004802	CESAR R. ESGUERRA	780	0.0000403454
389	03029223	COMMUNICATION INSURANCE CO., INC.	780	0.0000403454
390	12016077	CONRADO J. LEDESMA	780	0.0000403454
391	20014274	EDGARDO TROTA	780	0.0000403454
392	06016397	ENRIQUE FLOR	780	0.0000403454
393	01029368	FAUSTINO ATADERO	780	0.0000403454
394	08012158	FRANCISCO LIM SIN HAN	780	0.0000403454
395	25006224	JOSE YAP	780	0.0000403454
396	03029258	JUANITO CHENG	780	0.0000403454
397	01029329	LETICIA ALCANTARA	780	0.0000403454
398	12016098	LINA F. LITTON	780	0.0000403454
399	15006490	MARY DE OCAMPO	780	0.0000403454
400	19025993	MILAGROS R. SANTOS	780	0.0000403454
401	12016083	MONSERRAT C. DE LEON	780	0.0000403454
402	03029244	NATIVIDAD HIZON CASTRO	780	0.0000403454
403	07015567	SORIANO GARCIA	780	0.0000403454
404	20014247	SULPICIO L. TANSINCO	780	0.0000403454
405	20014242	TERESITA L. TAN	780	0.0000403454
406	15006499	VENANCIO LEE ONG	780	0.0000403454
407	13017300	QULIAN J. MONTANO	748	0.0000386902
408	18014966	RFC SECURITIES CORP.	748	0.0000386902
409	04011434	DE CASTRO, VALDERRAMA, ARROYO SECURITIES	717	0.0000370867
410	17003215	QUESADA, RAMON &/OR ROSARIO MILLAR	702	0.0000363109
411	19025995	RAFAELITO B. SANTOS	702	0.0000363109
412	20014278	RAMON C. TUAZON	702	0.0000363109
413	20014268	SALUD TOLENTINO	702	0.0000363109
414	03029288	PAZ CONCEPCION	655	0.0000338798
415	01029324	JOSE T. ALBERTO	636	0.0000328970
416	18014956	ALFREDO C. DEL ROSARIO	624	0.0000322763
417	22005877	AMELITA R. VILLAREAL	624	0.0000322763
418	13017278	ANGELO V. MANAHAN	624	0.0000322763
419	07015594	AQUILINO GRAJO	624	0.0000322763
420	03029277	CONSUELO CO	624	0.0000322763
421	05004794	EDUARDO E. ELEGIR	624	0.0000322763
422	12016073	ELLEN LAY	624	0.0000322763
423	16018871	ERNESTO V. PUNZALAN	624	0.0000322763
424	03029275	HENRY LEE CHUN	624	0.0000322763
425	19026047	JOSE B. SY	624	0.0000322763
426	02012990	JOSE C. BALTAZAR, JR.	624	0.0000322763
427	03029260	KHENG YU CHIAU	624	0.0000322763

428	11005564	KNEEBONE, E.J. &/OR MARY W. KNEEBONE	624	0.0000322763
429	05004808	MABINI EUGENIO	624	0.0000322763
430	26000919	MANUEL ZAMBARA	624	0.0000322763
431	12016096	NICASIO LIMKUNHOY	624	0.0000322763
432	13017271	PURIFICACION M. MACLAN	624	0.0000322763
433	17003214	QUERUBIN, ERNESTO &/OR BENITA QUERUBIN	624	0.0000322763
434	18014972	REYES, TYRONE M. &/OR OPHELIA L. REYES	624	0.0000322763
435	22005875	ROMEO L. VILLANUEVA	624	0.0000322763
436	04011429	VINCENT DIZON	624	0.0000322763
437	03029294	ADOR CRUZ	608	0.0000314487
438	07015581	HELEN Y. GO	600	0.0000310349
439	13017279	FILADELFO V. MANANSALA	561	0.0000290177
440	10004839	J.J. ORTIGAS & CO.	561	0.0000290177
441	13017305	MANOTOC SECURITIES, INC.	546	0.0000282418
442	01029331	ALCANTARA, SIXTO &/OR F.E. ALCANTARA	530	0.0000274142
443	01029326	ALCANTARA, VINNYA G. &/OR CAYETANO G. ALCANTARA	468	0.0000242072
444	02013000	ALMA O. BELARDO	468	0.0000242072
445	01029316	ALTMAR INVESTMENT & DEV. CORP.	468	0.0000242072
446	07015577	AMELIA GO	468	0.0000242072
447	19026017	ANASTACIO B. SISON	468	0.0000242072
448	02013002	BENITO BENGZON	468	0.0000242072
449	20014231	BENJAMIN TAN	468	0.0000242072
450	26000922	BENJAMIN ZOSIMO	468	0.0000242072
451	19026024	BETTY B. SO	468	0.0000242072
452	02012978	BOARD OF TRUSTEES OF THE GF/GMC RETIREMENT PLAN	468	0.0000242072
453	02013018	BRIDGESTONE SECURITIES CORP.	468	0.0000242072
454	12016099	CARMEN VDA. DE LIZARES	468	0.0000242072
455	19026037	CEZAR F. SUCK	468	0.0000242072
456	15006495	CIRIO ONG	468	0.0000242072
457	03029224	CONGREGATION OF THE AUGUSTINIAN RECOLLECT	468	0.0000242072
458	19025973	CONRADO SACAMAY	468	0.0000242072
459	14003963	DOMINADOR C. NERI	468	0.0000242072
460	01029364	EDUARDO ARELLANO	468	0.0000242072
461	19026019	ERDULFO S. SISON	468	0.0000242072
462	02013001	EVELYN BENARES	468	0.0000242072
463	06016399	EVELYN Y. FONG	468	0.0000242072
464	18014951	FLORENCIA D. REYES	468	0.0000242072
465	01029358	FRANCISCO M. ANGELES	468	0.0000242072
466	26000921	GABRIEL M. ZOSA	468	0.0000242072
467	07015559	GADIEL C. GALLARDO	468	0.0000242072
468	12016100	HERIBERTO LIZARES	468	0.0000242072
469	09005663	I. B. GIMENEZ SECURITIES, INC.	468	0.0000242072
470	07015599	IRENE GUTIERREZ	468	0.0000242072
471	07015583	JIMMY GO	468	0.0000242072
472	03029311	JOSE E. CUISIA	468	0.0000242072
473	03029233	JUAN JOSE CAMACHO	468	0.0000242072
474	14003966	KOK KENG NIU	468	0.0000242072
475	12016068	LILY C. LAHOZ	468	0.0000242072

476	20014277	MA. LOURDES TUAZON	468	0.0000242072
477	11005554	MANUEL KAO	468	0.0000242072
478	25006221	MANUEL YAO	468	0.0000242072
479	03029272	MICHAEL CHUA	468	0.0000242072
480	21005980	MINA BAIRAN UY	468	0.0000242072
481	07015601	MODESTO GUTIERREZ	468	0.0000242072
482	14003957	NORMA V. NAFARETE	468	0.0000242072
483	22005879	OFELIA V. VIOLA	468	0.0000242072
484	01029374	PABLO AW	468	0.0000242072
485	09005654	RAFAEL ILAGAN	468	0.0000242072
486	19026026	RAMON SOLIDUM	468	0.0000242072
487	10004830	REGINA DE JESUS	468	0.0000242072
488	19025984	REV. FR. CAFERINO SANCHEZ	468	0.0000242072
489	07015587	RICARDO S. GO	468	0.0000242072
490	20014230	RICARDO S. TAMORIA	468	0.0000242072
491	19026023	RITA SIY	468	0.0000242072
492	03029290	ROGELIO CONSTANTINO	468	0.0000242072
493	20014251	ROLANDO TENEFRANCIA	468	0.0000242072
494	18014941	ROMAN CATHOLIC DIOCESE OF IBA	468	0.0000242072
495	20014245	ROMUALDO DY TANG	468	0.0000242072
496	16018869	RONALDO PRESA	468	0.0000242072
497	25006218	S. YAMADA	468	0.0000242072
498	08012159	SHU YU HAN	468	0.0000242072
499	12016084	SONIA DE LEON	468	0.0000242072
500	03018256	SUSAN LI CHUA	468	0.0000242072
501	20014258	TAN LE TIN	468	0.0000242072
502	19026052	TAN LE-LORENZO SY	468	0.0000242072
503	07015562	TEOFILO GANA	468	0.0000242072
504	22005869	VERGARA, LEOPOLDO L. &/OR FRANCISCO G. VERGARA	468	0.0000242072
505	12016065	VIRGILIO N. LABARIA	468	0.0000242072
506	19026033	WILLIAM A.S. STELTON	468	0.0000242072
507	15006501	ZENAIDA J. ONG	468	0.0000242072
508	01029332	ALEX VALENTIN ALCAZAR	421	0.0000217762
509	26000920	MARGARITA ZEHNER	421	0.0000217762
510	11005551	KAROS & SON'S INC.	390	0.0000201727
511	19025996	REBECCA B. SANTOS	390	0.0000201727
512	19025997	ROGELIO B. SANTOS	390	0.0000201727
513	13017299	JULIAN V. MONTANO	374	0.0000193451
514	06016395	RAUL C. FERNANDEZ	374	0.0000193451
515	16018850	PANGINDIAN, ISIDORO &/OR IRENEO JAVIER	358	0.0000185175
516	07015614	GOLDEN SECURITIES CORP.	343	0.0000177416
517	12016116	MARVIN LUCAS	327	0.0000169140
518	15006494	AGUSTIN ONG	312	0.0000161382
519	19026054	AGUSTIN WANG SISON	312	0.0000161382
520	19026028	ANGELITA R. SORIANO	312	0.0000161382
521	20014254	BENITA TESORERO	312	0.0000161382
522	21005977	CAROLINA UY	312	0.0000161382
523	03029295	ELAINE S. CRUZ	312	0.0000161382

524	13017270	EMELIE MACLAN	312	0.0000161382
525	03029297	EMELITA S. CRUZ	312	0.0000161382
526	03029310	EMILIO L. CUAYCONG	312	0.0000161382
527	19026018	EMMANUEL SISON	312	0.0000161382
528	18014950	ERLINDA &/OR HANNAH REYES	312	0.0000161382
529	22005870	FLORENTINO Z. VICENTE	312	0.0000161382
530	19026039	FLORITA SULIT	312	0.0000161382
531	18014973	G. L. RIALP	312	0.0000161382
532	08012168	GEORGE L. HUANG	312	0.0000161382
533	20014262	GERMELINA T. TOLEDO	312	0.0000161382
534	15006497	HELEN ONG	312	0.0000161382
535	18014957	IGNACIO DEL ROSARIO, JR.	312	0.0000161382
536	16018853	ISAGANI PASCUAL	312	0.0000161382
537	12016064	JAMES LAO	312	0.0000161382
538	12016091	JOHN LIM	312	0.0000161382
539	08012166	JOHNNY YU HONG	312	0.0000161382
540	02013012	JOSE B. BRIONES	312	0.0000161382
541	03029300	JOSELITO CRUZ	312	0.0000161382
542	04011432	JOVITA DY	312	0.0000161382
543	19026043	JUDY SUNTAY	312	0.0000161382
544	18014948	JUSTO M. REGINALDO	312	0.0000161382
545	02013004	KANG SUY BEO	312	0.0000161382
546	11005566	KENG KENG KO	312	0.0000161382
547	12016072	LAPINA, ROMULO &/OR EMILIANO LAPINA	312	0.0000161382
548	03029301	LAWRENCE S. CRUZ	312	0.0000161382
549	06016398	LILIAN F. FLOR	312	0.0000161382
550	07015573	LIM CHING GI	312	0.0000161382
551	05004798	LIM PUA ENG	312	0.0000161382
552	20014246	LOLITA TANSENGCO	312	0.0000161382
553	08012170	LOURDES K. HUANG	312	0.0000161382
554	03029303	LUCITO S. CRUZ	312	0.0000161382
555	25006225	LUIS YAP	312	0.0000161382
556	18014946	MA. ZENAIDA RAYMUNDO	312	0.0000161382
557	20014239	MANUEL TAN	312	0.0000161382
558	16018862	MARGARITA PIA	312	0.0000161382
559	19026022	MIRIAM SIY	312	0.0000161382
560	19025994	MOISES M. SANTOS	312	0.0000161382
561	07015584	NEMESIS GO	312	0.0000161382
562	19026013	NORMA SIAO	312	0.0000161382
563	19026002	OTTO SCHAFFA	312	0.0000161382
564	12016082	PACITA L. LEJANO	312	0.0000161382
565	16018858	PAZ PERET	312	0.0000161382
566	07015561	PETER L. GAN	312	0.0000161382
567	16018875	PRIME SECURITIES CORP.	312	0.0000161382
568	17003217	QUALITY INVESTMENT & SEC. CORP.	312	0.0000161382
569	18014958	RAMONA DEL VDA. MENDO ROSARIO	312	0.0000161382
570	10004825	RAMOS B. JAMIAS	312	0.0000161382
571	03029312	RAUL CUNETA	312	0.0000161382

572	02013008	RAUL L. BONZAN	312	0.0000161382
573	01029330	RAUL T. ALCANTARA	312	0.0000161382
574	20014253	RENE A.B. TEOTICO	312	0.0000161382
575	02012997	REYNALDO E. BAUTISTA	312	0.0000161382
576	19025987	ROMEO S. SANTIAGO	312	0.0000161382
577	03029304	ROSARIO CRUZ	312	0.0000161382
578	20014267	ROSARIO Y. TOLENTINO	312	0.0000161382
579	18014959	ROSENDO DEL ROSARIO	312	0.0000161382
580	02012984	RUBY BAIRAN	312	0.0000161382
581	17003213	RUBY QUE	312	0.0000161382
582	11005561	SY KIAK	312	0.0000161382
583	16018864	TEODORO PISON	312	0.0000161382
584	14003959	TEODORO V. NARIO	312	0.0000161382
585	20014256	TEOFILA TIGNA	312	0.0000161382
586	20014270	TERESITA TONG	312	0.0000161382
587	19026032	TRIFINA STA. ROMANA	312	0.0000161382
588	07015568	ZENAIDA G. GARCIA	312	0.0000161382
589	21005974	CASIANO USMAN	280	0.0000144830
590	12016114	CENON V. LUCAS	280	0.0000144830
591	20014244	CHERRY TANG	280	0.0000144830
592	01029338	ESTER ALONZO	280	0.0000144830
593	10004838	J.D. CALDERON SECURITIES, INC.	280	0.0000144830
594	16018867	CARMEN PRATTE	258	0.0000133450
595	14003965	ELISA F. NICANDRO	258	0.0000133450
596	07015591	BENJAMIN GOMEZ	249	0.0000128795
597	18014949	CARMELO B. REYES	249	0.0000128795
598	21005973	FRANKLIN USAAC	249	0.0000128795
599	25006216	NAM YAM	249	0.0000128795
600	20014273	ANGEL TRINIDAD	234	0.0000121036
601	18014955	ANGELITA C. DELA ROSA	234	0.0000121036
602	05004801	ARCADIA ESCOBAR	234	0.0000121036
603	13017286	AURORA MARCOS	234	0.0000121036
604	15006493	BEATRICE OLIVARES	234	0.0000121036
605	07015597	CARLOS A. GUBAT	234	0.0000121036
606	02012995	CARLOS S.M. BASILIO	234	0.0000121036
607	21005976	CARMEN DYTOC UY	234	0.0000121036
608	03029227	CARMENCITA CABATINGAN	234	0.0000121036
609	12016071	CESAR M. LAO	234	0.0000121036
610	03029291	ERLINDA C. CORDON	234	0.0000121036
611	05004806	ESPERANZA ESTEBAN	234	0.0000121036
612	01029348	ESPERANZA P. ALVENDIA	234	0.0000121036
613	02012981	FELIX C. BADELLES	234	0.0000121036
614	03029228	FELIX CABATINGAN	234	0.0000121036
615	10004834	FLORENCIANA JUDITH	234	0.0000121036
616	18014943	FRANCISCO RAFIL	234	0.0000121036
617	12016070	HAROLD A. LANGUE	234	0.0000121036
618	20014284	IRENE TONG	234	0.0000121036
619	07015607	JUANA M. DE GUZMAN	234	0.0000121036

620	04011424	LEONARDO C. DIOKNO	234	0.0000121036
621	03029229	LEOPOLDO L. CABATINGAN	234	0.0000121036
622	03029302	LERMA C. DELA CRUZ	234	0.0000121036
623	08012165	LOURDES HERNANDEZ	234	0.0000121036
624	01029335	MARLENE S. ALINDOGAN	234	0.0000121036
625	19025992	MIGUELITA SANTOS	234	0.0000121036
626	01029323	MODESTO AGYAO	234	0.0000121036
627	01029322	PEDRO AGANAD	234	0.0000121036
628	16018872	PERLA C. PUNZALAN	234	0.0000121036
629	02012996	QUINTIN G. BAUTISTA	234	0.0000121036
630	13017287	RAMON G. MARFORI	234	0.0000121036
631	03029230	ROMEO L. CABATINGAN	234	0.0000121036
632	03029232	RUBEN CALUCAG	234	0.0000121036
633	20014272	TORRALBA, LINA DE DIOS &/OR TITO P. TORRALBA	234	0.0000121036
634	21005968	UBP TA# 4-152-067-33	234	0.0000121036
635	07015595	VERA MAY GREY	234	0.0000121036
636	02013005	FELIX C. BERCENO	218	0.0000112760
637	21005971	JOSEFINA T. UMALI	218	0.0000112760
638	19025999	ZACARIAS B. SARIAN	218	0.0000112760
639	02012980	AMADOR C. BACANI	187	0.0000096726
640	01029351	ANTONIO N. ANDAL	187	0.0000096726
641	04011422	BAYOT S. DELLOTA	187	0.0000096726
642	20014232	CHERRY TAN	187	0.0000096726
643	07015555	CRISPIN GABAS	187	0.0000096726
644	12016067	ELVIE LAGUA	187	0.0000096726
645	16018863	JOSE PICCIO, JR.	187	0.0000096726
646	07015563	LEONORA R. GARCIA	187	0.0000096726
647	03029247	REMEDIOS L. CENTENO	187	0.0000096726
648	16018843	ROSALINA L. PADLAN	187	0.0000096726
649	19025979	ROSALINDA L. SALVATIERRA	187	0.0000096726
650	03029235	SIMEON M. CAMPOS	187	0.0000096726
651	11005563	AILEEN KING	156	0.0000080691
652	05004789	ALFREDO L. EDRALIN	156	0.0000080691
653	14003970	AMELIA NOVIDO	156	0.0000080691
654	05004790	ANTONIO EDRALIN	156	0.0000080691
655	19026006	BELLA SERNA	156	0.0000080691
656	04011427	CARLOS DIZON	156	0.0000080691
657	23001744	CARLOS WONG	156	0.0000080691
658	03029319	CMS STOCK BROKERAGE	156	0.0000080691
659	12016126	DICFORA V. LAO	156	0.0000080691
660	18014961	DOMINADOR RUALO	156	0.0000080691
661	09005653	ELENA ILAGAN	156	0.0000080691
662	12016103	ERNESTO LLAMEZA	156	0.0000080691
663	05004793	FELISA Y. ELIAZAR	156	0.0000080691
664	19026036	FRANCISCO SUAREZ	156	0.0000080691
665	08012169	GEORGE Y. HUANG	156	0.0000080691
666	14003969	GONZALO R. NOVALES	156	0.0000080691
667	20014221	HELEN TAN-ABDON	156	0.0000080691

668	25006236	JOHNNY YUHONG	156	0.0000080691
669	19025977	JORGE Q. SALAZAR	156	0.0000080691
670	01029334	JOSE C. ALDAY, JR.	156	0.0000080691
671	08012163	JOSE N. HERNANDEZ	156	0.0000080691
672	00001090	JOSELITO C. HERRERA	1,500	0.0000775873
673	02013011	JULIAN BRIGOLI	156	0.0000080691
674	25006220	KA HO YAO	156	0.0000080691
675	03029280	KENG KENG CO	156	0.0000080691
676	19026048	KIAK SY	156	0.0000080691
677	19026030	LEE SOT	156	0.0000080691
678	19026027	LUIS SONGCO	156	0.0000080691
679	19026049	LUZ SY	156	0.0000080691
680	18014944	LYN RAMOS	156	0.0000080691
681	09005655	MA. FLAVIO INTENGAN	156	0.0000080691
682	03029271	MANUEL CHUA	156	0.0000080691
683	13017283	MARGARITA MAPUA	156	0.0000080691
684	04011425	MARIA ELISA DIY	156	0.0000080691
685	17003216	MARIANO C. QUINTOS, JR.	156	0.0000080691
686	12016109	MATILDE J. LOPEZ	156	0.0000080691
687	12016102	MERCEDES LIZARES	156	0.0000080691
688	03029293	NELLY COTOCO	156	0.0000080691
689	13017280	NELSON MANAPAT	156	0.0000080691
690	12016110	NIEVES G. LOPEZ	156	0.0000080691
691	19026012	NORMA SIAN	156	0.0000080691
692	15006491	OCTAVIO, REMIGIO T. &/OR LILIA OCTAVIO	156	0.0000080691
693	08012160	PEDRO CUSTODIO HAW	156	0.0000080691
694	04011428	PEDRO DIZON	156	0.0000080691
695	07015556	PEDRO GABAT	156	0.0000080691
696	26000918	RAMONITA ZALAMEA	156	0.0000080691
697	22005872	RAUL VILLA	156	0.0000080691
698	18014938	RCBC TA# 32-248	156	0.0000080691
699	18014952	RENATO REYES, JR.	156	0.0000080691
700	18014945	REYNALDO RAMOS	156	0.0000080691
701	12016094	ROBERTO LIM	156	0.0000080691
702	19026016	ROGELIO SIMPIO	156	0.0000080691
703	18014947	ROMULO REDULLA	156	0.0000080691
704	03029309	ROSARIO R. CRUZO	156	0.0000080691
705	18014974	SALUD G. RODRIGUEZ	156	0.0000080691
706	04011426	SALVADOR DIY III	156	0.0000080691
707	07015593	SALVADOR G. GONZALES	156	0.0000080691
708	00000093	SIMON LI	156	0.0000080691
709	03029269	SIONG TAY CHU	156	0.0000080691
710	03029305	SOL CRUZ	156	0.0000080691
711	21005969	STANLEY UI KHO	156	0.0000080691
712	20014250	TECSON, RODOLFO E. & GAUDENCIA TECSON	156	0.0000080691
713	20014257	TEOFILO G. TIGNO	156	0.0000080691
714	19025998	TERESITA SANTOS	156	0.0000080691
715	22005876	WILFREDO P. VILLANUEVA	156	0.0000080691

716	19025990	DESIDERIO B. SANTOS	140	0.0000072415
717	07015604	EDMUNDO DE GUZMAN	140	0.0000072415
718	02013009	ESTRELLA BORHILLO	140	0.0000072415
719	20014271	GERARDO C. TOPACIO	140	0.0000072415
720	07015596	MARTIN GUBALLA	140	0.0000072415
721	01029361	NELLY J. AQUINO	140	0.0000072415
722	20014266	NOEL TOLENTINO	140	0.0000072415
723	25006217	ROSA YAM	140	0.0000072415
724	01029359	TIRSO ANTIPORDA	140	0.0000072415
725	22005865	BENIGNO G. VENTIGAN	126	0.0000065173
726	10004826	ADELE A. JAUCIAN	124	0.0000064139
727	20014227	ANTONIO TAMBUNTING	124	0.0000064139
728	20014228	ANTONIO TAMBUNTING	124	0.0000064139
729	20014229	ANTONIO TAMBUNTING	124	0.0000064139
730	03029243	EVANGELINE S. DE CASTRO	124	0.0000064139
731	02012994	IRENEO T. BANAGA	124	0.0000064139
732	25006230	JAMES M. YOUNG	124	0.0000064139
733	15006492	OGATIS, ALICIA M. &/OR JOSE M. OGATIS	124	0.0000064139
734	01029317	ROBERTO C. ABELLO	124	0.0000064139
735	04011431	PEDRO DUCLAYAN	109	0.0000056380
736	03029239	ALBERTO CARLOS	93	0.0000048104
737	01029357	ALFREDO DELOS ANGELES	93	0.0000048104
738	22005862	ALIPIO A. VALLES	93	0.0000048104
739	11005556	AURORA KHAW	93	0.0000048104
740	13017269	CYNTHIA MACALINO	93	0.0000048104
741	07015605	ELSA C. DE GUZMAN	93	0.0000048104
742	18014962	F.A. RUIZ	93	0.0000048104
743	16018848	FELISA PANGAN	93	0.0000048104
744	02013006	FELIX C. BERCENO, JR.	93	0.0000048104
745	20014255	HAW HOK TIAN	93	0.0000048104
746	03029313	HELEN L. CUSTODIO	93	0.0000048104
747	21005970	HELIODORA UDASCO	93	0.0000048104
748	03029289	ISIDORO CONCON	93	0.0000048104
749	13017304	LAWRENCE MYERS	93	0.0000048104
750	16018849	LUCIA PANGANIBAN	93	0.0000048104
751	18014968	RTG & CO., INC.	93	0.0000048104
752	03029307	VICTORIA B. CRUZ	93	0.0000048104
753	19025975	GILDA SAHAGUN	78	0.0000040345
754	09005659	INTEGRATED SEC. & UNDERWRITING SERVICES CORP.	78	0.0000040345
755	20014224	JAIME TABLANTE	78	0.0000040345
756	03029292	MAGDALENO B. CORTEZ	78	0.0000040345
757	19026051	MARCELA NGO SY	78	0.0000040345
758	12016117	MARIETA DE LUNA	78	0.0000040345
759	13017290	MEDARDO M. MELICOR	78	0.0000040345
760	23001746	MERRY WU	78	0.0000040345
761	00001025	OWEN NATHANIEL AU A/C IAUOWE01	78	0.0000040345
762	20014226	ROLANDO TABLANTE	78	0.0000040345
763	20014220	TCBT AS TRUSTEE OF P-1020	78	0.0000040345

764	22005880	CARLOS M. VIRTUCIO	62	0.0000032069
765	14003968	EDNA NOVALES	62	0.0000032069
766	03029240	FELICITAS CARLOS	62	0.0000032069
767	09005652	INTERNATIONAL UNDERWRITING MGT. CORP.	62	0.0000032069
768	10004835	JALANDONI, JAYME, ADAMS INC.	62	0.0000032069
769	25006229	JAMES YONG	62	0.0000032069
770	21005979	JOSE B. UY	62	0.0000032069
771	04011430	JOSE L. DOMINGUIANO	62	0.0000032069
772	13017294	MACARIO S. MENESES	62	0.0000032069
773	18014939	RIZAL COMMERCIAL BANKING CORP.	62	0.0000032069
774	07015565	ROLANDO T. GARCIA	62	0.0000032069
775	22005859	TEN KENG VALENCIA	62	0.0000032069
776	22005871	VENICIO G. VILELA	62	0.0000032069
777	11005555	WONG KE	62	0.0000032069
778	03029236	MAY R. CANLAS	58	0.0000030000
779	03029234	SONIA R. CAMARILLO	57	0.0000029483
780	05004796	ERNESTO C. ENCINA	54	0.0000027931
781	03029246	ARMANDO D. CENTENO	46	0.0000023793
782	03029242	CESARIA P. DE CARUNUNGAN	46	0.0000023793
783	22005863	DIEGA VAUGHAN	46	0.0000023793
784	19025974	ELEONOR DE SAGUN	46	0.0000023793
785	16018857	FRANCISCO PENDON	46	0.0000023793
786	01029321	GERMAN ADOLFO	46	0.0000023793
787	10004828	IRWIN JAZMINES	46	0.0000023793
788	07015606	JOSE PLACIDO DE GUZMAN	46	0.0000023793
789	18014977	JOSE ROMERO	46	0.0000023793
790	16018868	JUSTINA PRESA	46	0.0000023793
791	05004799	MILAGROS ERANA	46	0.0000023793
792	05004800	PEDRO ESCANO	46	0.0000023793
793	20014222	PURIFICACION TABANG	46	0.0000023793
794	16018865	ROMEO PORTUGAL	46	0.0000023793
795	22005860	SONIA VALENCIANO	46	0.0000023793
796	11005560	HUA KUE KHOY	43	0.0000022242
797	13017285	FRANCISCO MARCHA	38	0.0000019655
798	03029237	MIGUEL ANGEL CANO	36	0.0000018621
799	01029363	ALBERTO R. B. ARCILLA	31	0.0000016035
800	19025988	ALFREDO SANTOS	31	0.0000016035
801	02012975	BANK OF PHILIPPINE ISLAND	31	0.0000016035
802	12016115	DIVIDNA LUCAS	31	0.0000016035
803	01029372	EMILIO AVANCENA	31	0.0000016035
804	07015574	KANG SUY GIOK	31	0.0000016035
805	20014235	KE VELENCIA TAN	31	0.0000016035
806	23001745	KE WONG	31	0.0000016035
807	18014953	LILIA Z. REYES	31	0.0000016035
808	13017277	MA. MAGDALENA C. MANAAY	31	0.0000016035
809	03029226	MARCELO C. CABANA	31	0.0000016035
810	07015566	ROMEO A. GARCIA	31	0.0000016035
811	18014976	JOSE ROMEO	22	0.0000011379

812	20014237	LUIS TAN	22	0.0000011379
813	20014265	MELCHOR C. TOLENTINO	22	0.0000011379
814	02013015	WALTER BROWN	22	0.0000011379
815	13017296	AGUSTIN MIRAVITE	15	0.0000007759
816	13017297	ANACLETO MOA	15	0.0000007759
817	13017274	ANTONIO MALANSING	15	0.0000007759
818	03029320	CREDIT MANILA, INC.	15	0.0000007759
819	01029360	EDMUNDO A. AQUINO	15	0.0000007759
820	12016106	FIDEL J. LOCSIN	15	0.0000007759
821	12016113	FLORENTINO LOYOLA	15	0.0000007759
822	01029333	JOSEFINA M. ALDAY	15	0.0000007759
823	05004795	JOSEFINO T. ELIPSE	15	0.0000007759
824	13017301	LOIDA MORENO	15	0.0000007759
825	13017282	MA. VICTORIA MANIQUIS	15	0.0000007759
826	00001084	MIGUEL DC. MARANA OR MARANA, BITUIN DC.	15	0.0000007759
827	07015560	RENATO O. GAMBOA	15	0.0000007759
828	19026000	REYNALDO R. SARMENTA	15	0.0000007759
829	11005552	SUY GIOK KANG	15	0.0000007759
830	13017303	TEODORO MORIONES	15	0.0000007759
831	01029371	ZAIDA RUBY S. ALBERTO	15	0.0000007759
832	16018859	ALFREDO PEREZ	13	0.0000006724
833	00001110	GERARDO LOPEZ SALGADO	8	0.0000004138
834	12016108	FIDEL J. LOPEZ	7	0.0000003621
835	12016074	FLORENTINO LAYOLA	7	0.0000003621
836	01029339	ALEJO ALVAREZ	3	0.0000001552
837	01029341	CECILIA ALVAREZ	3	0.0000001552
838	01029342	CESAR ALVAREZ	3	0.0000001552
839	01029343	EUGENIO ALVAREZ	3	0.0000001552
840	01029344	FAUSTINO ALVAREZ	3	0.0000001552
841	01029345	LINDA ALVAREZ	3	0.0000001552
842	01029346	NANCY ALVAREZ	3	0.0000001552
843	01029347	RITA ALVAREZ	3	0.0000001552
844	00001111	GABRIELLE CLAUDIA F. HERRERA	2,000	0.0001034497
845	00001112	ALLEN CHAM	286	0.0000147933
		Total	**1,933,305,923**	**100.0000000000**