C O V E R   S H E E T

SEC Registration Number

0	0	0	0	0	0	3	7	3	3	8

C O M P A N Y   N A M E

S A N   M I G U E L   P R O P E R T I E S ,   I N C .
A N D   S U B S I D I A R I E S

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

3F   S A N   M I G U E L   H E A D   O F F I C E
C O M P L E X   4 0   S A N   M I G U E L   A V E N U E
W A C K   W A C K   M A N D A L U Y O N G   C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
17Q		

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

Company's Email Address	Company's Telephone Number/s	Mobile Number

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
909	MAY 11*	12/31

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
MARIA ALMA C. GERONIMO	mgeronimo@sanmiguel.com.ph	632-3288	

CONTACT PERSON's ADDRESS

Note 1: *In case of death, resgination 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 Deficiences shall not excuse the corporation from liability for its deficiencies.*

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **MARCH 31, 2022**

2. Commission identification number **37338**

3. BIR Tax Identification No. **000-133-166-000**

4. Exact name of issuer as specified in its charter **SAN MIGUEL PROPERTIES, INC.**

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

6. Industry Classification Code: ______ (SEC Use Only)

7. Address of issuer's principal office — Postal Code
   40 SAN MIGUEL AVE. — **1550**
   MANDALUYONG CITY

8. Issuer's telephone number, including area code **(632) 632-3000**

9. Former name, former address and former fiscal year, if changed since last report

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

	Number of shares of common stock and amount of debt outstanding as of March 31, 2022
Common Shares	1,171,996,977
Total Liabilities (in '000)	14,239,331

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

    Yes [ ] No [/]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [/] No [ ]

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

    Yes [/] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited consolidated statements of San Miguel Properties, Inc. ("SMPI" or "the Company") and its subsidiaries (collectively "the Group") as of and for the period ended March 31, 2022 (with comparative figures as of December 31, 2021 and for the period ended March 31, 2021) and Selected Notes to Consolidated Financial Statements are attached hereto as **Annex "A"**.

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

The information required by Part III, Paragraph (A)(2)(b) of "Annex C, as amended" is attached hereto as **Annex "B"**.

PART II--OTHER INFORMATION

The Company may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

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

Issuer	**SAN MIGUEL PROPERTIES, INC.**
Signature and Title	**MARIA ALMA C. GERONIMO** Treasurer/Finance Head
Date	05/12/2022

SAN MIGUEL PROPERTIES, INC. AND SUBSIDIARIES
(A Subsidiary of San Miguel Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2022 AND DECEMBER 31, 2021
(Amounts in Thousand Philippine Pesos)

	Notes	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	17, 18	P 2,002,541	P 2,018,829
Receivables - net	17, 18	418,220	436,983
Real estate projects	3	1,436,418	1,440,217
Raw land inventory	4	3,341,081	3,341,081
Other current assets - net		1,824,224	1,745,675
Total Current Assets		9,022,484	8,982,785
NONCURRENT ASSETS			
Receivables	17, 18	699,956	678,318
Deposits on land for future development	5	2,362,592	2,200,291
Equity advances and investments in associates	6	11,838,795	11,843,508
Investment property - net	7	14,988,818	15,225,118
Property and equipment - net	8	7,569,624	7,260,422
Intangible assets - net	9	171,662	171,535
Retirement benefits asset		35,708	35,708
Deferred tax assets - net		64,225	69,880
Other noncurrent assets - net	10	41,072	41,072
Total Noncurrent Assets		37,772,452	37,525,852
TOTAL ASSETS		P 46,794,936	P 46,508,637

	Notes	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Loans and borrowings	12, 18, 19	P 11,869,100	P 11,927,100
Trade and other payables	13, 18, 19	1,715,940	2,003,641
Lease liabilities	14, 19	12,669	16,677
Due to related parties	15, 18, 19	33,357	33,357
Advance rentals and deposits	15,18, 19	237,071	229,520
Customers' deposits		163,726	168,765
Income tax payable		2,193	1,786
Total Current Liabilities		14,034,056	14,380,846
NONCURRENT LIABILITIES			
Lease liabilities	14, 19	105,217	105,217
Deferred tax liabilities - net		100,058	88,707
Total Noncurrent Liabilities		205,275	193,924
Total Liabilities		14,239,331	14,574,769
EQUITY			
Equity attributable to owners of the Company			
Capital stock	16, 17	11,723,127	11,122,777
Additional paid-in capital	16	11,167,187	10,572,841
Treasury shares - at cost	16	(9,515)	(9,515)
Accumulated fair value gain loss	7	(196,910)	(104,176)
Cumulative translation adjustment	7	376	2,768
Reserve for retirement plan		(122,800)	(122,800)
Other reserves	16	(343,135)	(303,669)
Retained earnings	16, 17	9,429,396	9,316,521
Total equity attributable to owners of the Company		31,647,726	30,474,747
Noncontrolling interest		907,879	1,459,120
Total Equity		32,555,605	31,933,867
TOTAL LIABILITIES AND EQUITY		P 46,794,936	P 46,508,637

See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements

CERTIFIED CORRECT

MARIA ALMA C. GERONIMO
FINANCE MANAGER

SAN MIGUEL PROPERTIES, INC. AND SUBSIDIARIES
(A Subsidiary of San Miguel Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021
(Amounts in Thousand Philippine Pesos, Except Per Share Data)

	Notes	2022 Unaudited	2021 Unaudited
REVENUES	3		
Rental income		P 184,097	P 160,964
Room revenues		125,848	79,844
Service income		125,529	16,234
Sale of food and beverages		23,662	11,468
Real estate sales		13,660	80,307
Others		4,891	2,250
		477,687	351,067
COSTS OF SALES AND SERVICES			
Service Cost		100,394	14,611
Room services		66,156	51,350
Rentals		28,951	23,800
Food and beverages sold		28,552	17,391
Real estate sold		7,902	46,600
		231,955	153,752
GROSS PROFIT		245,732	197,315
OTHER OPERATING EXPENSES		123,918	139,701
OPERATING PROFIT		121,814	57,614
OTHER INCOME (CHARGES)			
Share in profit of associates	7	88,982	74,963
Finance costs	12	(80,680)	(97,465)
Finance income		6,630	5,953
Miscellaneous income (charges) - net		(2,139)	4,550
		12,793	(11,998)
PROFIT BEFORE TAX		134,607	45,616
TAX EXPENSE (BENEFIT)		23,858	(3,136)
NET PROFIT		110,749	48,752
Balance carried forward		P 110,749	P 48,752

	Notes	2022 Unaudited	2021 Unaudited
Balance brought forward		**P 110,749**	P 48,752
OTHER COMPREHENSIVE LOSS			
Share in other comprehensive loss of associates	7	**(95,126)**	(76,025)
TOTAL COMPREHENSIVE INCOME (LOSS)		**15,623**	(27,273)
Net profit attributable to:			
Equity holders of the Company		**112,875**	49,431
Noncontrolling interest		**(2,126)**	(679)
		110,749	48,752
Total comprehensive income (loss) attributable to:			
Equity holders of the Company		**17,749**	(26,594)
Noncontrolling interest		**(2,126)**	(679)
		15,623	(27,273)
Earnings Per Share - Basic and Diluted	17	**P 0.11**	P 0.07

See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements

CERTIFIED CORRECT

MARIA ALMA C. GERONIMO
FINANCE MANAGER

SAN MIGUEL PROPERTIES, INC. AND SUBSIDIARIES
(A Subsidiary of San Miguel Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2022 AND DECEMBER 31, 2021
(Amounts in Thousand Philippine Pesos)

	Attributable to Owners of the Parent Company											
	Capital Stock (See Note 14)	Additional Paid-in Capital (See Note 14)	Treasury Shares - at Cost (See Note 14)	Accumulated Fair Value Gains (Losses) (See Note 18)	Cumulative Translation Adjustment	Reserve for Retirement Plan	Other Reserves (See Note 14)	Appropriated Retained Earnings (See Note 14)	Unappropriated Retained Earnings (See Note 14)	Total	Noncontrolling Interest	Total Equity
Balance at January 1, 2022	11,122,777	10,572,841	(9,515)	(104,176)	2,768	(122,800)	(303,669)	4,500,000	4,816,521	30,474,747	1,459,120	31,933,867
Restatements	-	-	-	-	-	-	-	-	-	-	-	-
As restated	11,122,777	10,572,841	(9,515)	(104,176)	2,768	(122,800)	(303,669)	4,500,000	4,816,521	30,474,747	1,459,120	31,933,867
Transactions with owners												
Issuance of shares of stock	600,350	594,346								1,194,696		1,194,696
Asset acquisition with NCI												-
Acquisition of additional NCI							(39,466)			(39,466)	(549,115)	(588,581)
Total comprehensive income (loss) for the year	-	-	-	(92,734)	(2,392)	-	-	-	112,875	17,749	(2,126)	15,623
Balance at March 31, 2022	11,723,127	11,167,187	(9,515)	(196,910)	376	(122,800)	(343,135)	4,500,000	4,929,396	31,647,726	907,879	32,555,605
Balance at January 1, 2021	9,245,952	8,714,550	(9,515)	(16,429)	(6,369)	(223,967)	(280,515)	4,500,000	4,256,755	26,180,462	354,652	26,535,114
Restatements	-	-	-	-	-	-	-	-	-	-	-	-
As restated	9,245,952	8,714,550	(9,515)	(16,429)	(6,369)	(223,967)	(280,515)	4,500,000	4,256,755	26,180,462	354,652	26,535,114
Transactions with owners												
Issuance of shares of stock	1,876,826	1,858,291							(2,115)	3,733,001	-	3,733,001
Asset acquisition with NCI										-	1,384,503	1,384,503
Acquisition of additional NCI							(23,158)			(23,158)	(276,842)	(300,000)
Total comprehensive income (loss) for the year	-	-	-	(87,747)	9,137	101,167	4	-	561,881	584,442	(3,193)	581,249
Balance at December 31, 2021	11,122,777	10,572,841	(9,515)	(104,176)	2,768	(122,800)	(303,669)	4,500,000	4,816,521	30,474,747	1,459,120	31,933,867

See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements

MARIA ALMA C. GERONIMO
FINANCE MANAGER

SAN MIGUEL PROPERTIES, INC. AND SUBSIDIARIES
(A Subsidiary of San Miguel Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021
(Amounts in Thousand Philippine Pesos)

	Notes	2022 Unaudited	2021 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**P 134,607**	P 45,615
Adjustments for:			
Interest expense	12	**59,467**	72,654
Share in profit of associates	7	**(88,982)**	(74,963)
Depreciation and amortization	8, 9,10	**37,780**	35,915
Interest income		**(6,630)**	(5,953)
Fair value gain - net	4	**(230)**	-
Operating profit before working capital changes		**136,012**	73,268
Decrease (increase) in receivables		**(4,191)**	35,812
Decrease in real estate projects	4	**4,029**	55,837
Increase in raw land inventory	5	**-**	(643)
Increase in other assets		**(43,922)**	(98,291)
Increase in deposits on land for future development	6	**(201,528)**	(64,625)
Decrease in trade and other payables	13	**(270,015)**	(73,766)
Increase (decrease) in advance rentals and deposits		**7,551**	(3,966)
Decrease in customers' deposits		**(5,039)**	(2,714)
Decrease in retirement benefit liability		**-**	(5,194)
Cash from operations		**(377,103)**	(84,282)
Interest received		**5,086**	5,322
Cash paid for income taxes		**(6,446)**	(129)
Net Cash Used in Operating Activities		**(378,463)**	(79,089)
Balance brought forward		**(P 378,463)**	(P 79,089)

	Notes	2022 Unaudited	2021 Unaudited
Balance carried forward		(P 378,463)	(P 79,089)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to investment property	8	(9,035)	(111,619)
Acquisitions of property and equipment	9	(88,352)	(127,727)
Interest received		1,545	631
Additional equity advances	7	(1,430)	(521,978)
Acquisition of additional shares in various subsidiaries		(600,000)	-
Acquisition of intangible assets	10	(749)	-
Net Cash Used in Investing Activities		(698,021)	(760,693)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net loan repayments	12	(58,000)	18,500
Interest paid	12	(75,098)	(85,529)
Collection of lease receivables		1,315	1,509
Repayment of lease liabilities		(2,718)	(2,783)
Proceeds from issuance of shares of stock	16	1,200,700	633,713
Share issuance costs paid	16	(6,003)	(5,007)
Deposits received for future stock subscription		-	525,000
Net Cash From Financing Activities		1,060,196	1,085,403
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(16,288)	245,621
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		2,018,829	1,150,550
CASH AND CASH EQUIVALENTS AT END OF PERIOD		P 2,002,541	P 1,396,171

See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements

CERTIFIED CORRECT

MARIA ALMA C. GERONIMO
FINANCE MANAGER

SAN MIGUEL PROPERTIES, INC.
AND SUBSIDIARIES

Consolidated Financial Statements
For the period ended March 31, 2022
(With comparative figures for 2021)

SAN MIGUEL PROPERTIES, INC. AND SUBSIDIARIES
(A Subsidiary of San Miguel Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Thousand Philippine Pesos, Except Per Share Data and Number of Shares)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group prepared its interim consolidated financial statements as of and for the period ended March 31, 2022 and comparative financial statements for the same period in 2021 following the new presentation rules under Philippine Accounting Standard (PAS) No. 34, *Interim Financial Reporting*. The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

The consolidated financial statements are presented in Philippine peso and all financial information are rounded off to the nearest thousand (P000), except when otherwise indicated.

The principal accounting policies and methods adopted in preparing the interim consolidated financial statements of the Group are the same as those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below.

1.1 Adoption of New and Amended PFRS

(a) Effective in 2022 that are Relevant to the Group

The Group adopted for the first time the following PFRS, amendment and annual improvement to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2022:

(i) PAS 16 (Amendments), *Property, Plant and Equipment – Proceeds Before Intended Use* (effective January 1, 2022). The amendments clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment (PPE) into use. The amendments prohibit companies from deducting from the cost of PPE amounts received from selling items produced while companies are preparing the asset for its intended use. Instead, companies will recognize such sales proceeds and related cost in profit or loss.

(ii) PAS 37 (Amendments), *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract* (effective January 1, 2022). The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. Amendments are effective for contracts for which an entity has not yet fulfilled all its obligations on or after January 1, 2022. Earlier application is also permitted.

(iii) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, the following amendments, which are effective from January 1, 2022, are relevant to the Group:

- PFRS 9 (Amendments), *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liabilities.* In determining whether to derecognise a financial liability that has been modified or exchanged, an entity assesses whether the terms are substantially different. The amendement clarifies the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

- Lease Incentives (Amendment to Illustrative Examples accompanying PFRS 16, *Leases*). The amendment deletes from the Illustrative Example 13 the reimbursement relating to leasehold improvements to remove the potential for confusion because the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.

(iv) Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

- updated PFRS 3 so that it now refers to the 2018 Conceptual Framework;

- added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

- added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

Except as otherwise indicated, the adoption of the amended standards and interpretation did not have a material effect on the interim consolidated financial statements

(b) Effective Subsequent to 2022 but not Adopted Early

There are new PFRS, interpretation, amendments and annual improvements to existing standards effective for annual periods subsequent to 2022, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's financial statements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2023). The amendments affect only the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability, income or expenses, or the information that the entity disclose about

those items. They (1) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (2) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (3) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies* (effective from January 1, 2023). The amendments require the entities to disclose their material accounting policies rather than their significant accounting policies.

(iii) PAS 8 (Amendments), *Accounting Estimates – Definition of Accounting Estimates* (effective from January 1, 2023). The changes focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

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

- Clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

(iv) PAS 12 (Amendments), *Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* (effective from January 1, 2023). The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

(v) PFRS 10 (Amendments), *Consolidated Financial Statements,* and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendments to PFRS 10 require full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale of contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of arrangements that should be accounted for as a single transaction.

2. Impact of Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law

The CREATE Act, which seeks to reduce the Corporate Income Tax Rates and to rationalize the current fiscal incentives by making it time-bound, targeted and performance-based, was passed into law on March 26, 2021 and took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or on April 11, 2021. One of the key provisions of the CREATE Law is an immediate 5%-10% point cut in the corporate income tax rate starting July 2020. As a result, the Group has taken up in the books the effect of the application of reduced corporate income tax rate from 30% to 25%.

The impact on the consolidated financial statements of the Group based on balances as of and for the year ended December 31, 2020, which was taken up upon the effectivity of the CREATE law are as follows:

		Increase(decrease)
Assets		
Deferred Tax Asset	(P	230)
Prepaid taxes and licenses		1,333
Total Assets	**P**	**1,033**
Liabilities		
Deferred Tax Liabilities		847
Income tax payable	(	113)
Total Liabilities		**734**
Equity		
Retained Earnings		369
Total Liabilities and Equity		**1,103**
Income Tax Expense		
Current		1,446
Deferred	(	1,077)
Income Tax Expense		**369**

3. SEGMENT INFORMATION

Management currently has four operating segments namely: leasing, sale of real estate, service income and hotel operations. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

3.1 Analysis of Segment Information

Segment information can be analyzed below for the periods ended March 31, 2022 and 2021.

	Leasing	Sale of Real Estate	Service Income	Hotel Operations	Total
2022 (Unaudited)					
Segment revenues	**P 184,097**	**P 13,660**	**P 125,529**	**P 154,401**	**P 477,687**
Cost of real estate sold	**-**	**(7,902)**	**-**	**-**	**(7,902)**
Cost of rentals	**(28,951)**	**-**	**-**	**-**	**(28,951)**
Cost of room services	**-**	**-**	**-**	**(66,156)**	**(66,156)**
Cost of food and beverage sold	**-**	**-**	**-**	**(28,552)**	**(28,552)**
Cost of service income	**-**	**-**	**(100,394)**	**-**	**(100,394)**
Other operating expenses	**(51,547)**	**(35,927)**	**(13,893)**	**(22,551)**	**(123,918)**
Segment Operating Profit	**P 103,599**	**(P 30,169)**	**P 11,242**	**P 37,142**	**P 121,814**

	Leasing	Sale of Real Estate	Service Income	Hotel Operations	Total
2021 (Unaudited)					
Segment revenues	P 160,964	P 80,307	P 16,234	P 93,562	P 351,067
Cost of real estate sold	-	(46,600)	-	-	(46,600)
Cost of rentals	(23,800)	-	-	-	(23,800)
Cost of room services	-	-	-	(51,350)	(51,350)
Cost of food and beverage sold	-	-	-	(17,391)	(17,391)
Cost of service income	-	-	(14,611)	-	(14,611)
Other operating expenses	(32,433)	(85,409)	(2,184)	(19,675)	(139,701)
Segment Operating Profit	P 104,731	(P 51,702)	(P 561)	P 5,146	P 57,614

Currently, the Group's operations are concentrated in few locations which are in close proximity with each other; hence, it has no geographical segment. The Group, however, continues to acquire properties in different regions of the country, as potential locations for its real estate projects, investment properties or hotels and serviced apartments.

4. REAL ESTATE PROJECTS

This account, which are all stated at cost, consists of:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Subdivision houses and lots	**P 1,028,651**	P 1,030,845
Construction-in-progress (CIP)	**407,767**	409,372
	P 1,436,418	P 1,440,217

The movements of this account as of March 31, 2022 and December 31, 2021 are shown below.

		March 31, 2022 (Unaudited)		December 31, 2021 (Audited)
Balance at the beginning of the year	**P**	**1,440,217**	P	1,482,930
Additions during the year		**703**		65,229
Sales during the year	**(**	**7,902)**		36,154
Reclassification during the year		**3,400**	(	144,096)
Balance at end of the period	**P**	**1,436,418**	P	1,440,217

The Company recognized gain from repossession of inventory amounting to P230 in accordance with the adoption of PFRS 15 and PIC Q&A 2018-14. The related gain is presented as part of Miscellaneous Income (Charges) account under the Other Income (Charges) section in the March 31, 2022 consolidated statement of comprehensive income.

The net realizable value of real estate projects is higher than its carrying value as of March 31, 2022 and December 31, 2021, based on management's assessment.

5. RAW LAND INVENTORY

Below is a summary of the aggregate cost of raw land inventory as of March 31, 2022 and December 31, 2021.

		March 31, 2022 (Unaudited)		December 31, 2021 (Audited)
SMPI	**P**	**1,340,730**	P	1,340,730
Agricultural		**778,074**		778,074
Geosolutions		**605,508**		605,508
Rapidshare		**229,806**		229,806
Excel Unified		**98,458**		98,458
Grandioso		**71,202**		71,202
Brillar		**45,839**		45,839
First Monte		**43,924**		43,924
Coron		**36,662**		36,662
Tierra		**25,068**		25,068
Busuanga		**22,096**		22,096
Dimanyan		**16,259**		16,259
Elite Montagne		**11,609**		11,609
Bulalacao		**7,656**		7,656
Calamian		**5,201**		5,201
Palawan		**2,989**		2,989
	P	**3,341,081**	P	3,341,081

An analysis of the carrying amounts of raw land inventory is presented below.

	Note	**March 31, 2022 (Unaudited)**		December 31, 2021 (Audited)	
Balance at beginning of year		**P**	**3,341,081**	P	2,583,300
Acquired asset			**-**		778,074
Additions			**-**		1,988
Reclassification			**-**	(	20,632)
Disposal			**-**	(	1,649)
Balance at end of the period		**P**	**3,341,081**	P	3,341,081

Management determined that these properties have a total fair value of P11,613,269 as of March 31, 2022 and December 31, 2021. Fair value is determined by independent appraisers through appraisal reports, from existing bid or offer prices, and from recent sale of adjacent properties.

Information about the fair value measurement and disclosures related to raw land inventories are presented in Note 20.4.

6. DEPOSITS ON LAND FOR FUTURE DEVELOPMENT

This account includes the Group's advance payments for certain land acquisitions which are intended for future development.

In prior years, the Group made contributions to a real estate project with other domestic companies for the development of two parcels of subdivided lots in two separate locations. The contributions to this project, which amounted to P561,111, are being administered by a trustee bank, the real estate manager. The Group, through its property consolidator and legal consultant (the Consultant) has already completed the documentations, consolidation and transfer of title under its name of a portion of one of the two parcels of subdivided lots. Those subdivided lots amounting to P50,500 were presented under Raw Land Inventory in prior years.

Based on the advice by the Consultant, management believes that it will take a long period of time to complete the documentation process, consolidation of the titles and other activities relative to the acquisition of the remaining portion of subdivided lots. These activities are not yet completed as of March 31, 2022. Accordingly, the Group presented the outstanding balance of deposits as of March 31, 2022 and December 31, 2021 amounting to P573,622 and P573,611, respectively, as part of Deposits on Land for Future Development account under the Noncurrent Assets section of the consolidated statements of financial position.

The movements in the carrying amounts of deposits on land for future development are presented below.

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of year	**P 2,200,291**	P 2,113,998
Additions	**201,528**	270,940
Reclassifications	**(39,227)**	(184,647)
Balance at end of the period	**P 2,362,592**	P 2,200,291

Based on management's evaluation, the recoverable value of deposits on land for future development is higher than its carrying amount as of March 31, 2022 and December 31, 2021.

7. EQUITY ADVANCES AND INVESTMENTS IN ASSOCIATES

The composition of equity advances and investments in associates account is as follows:

	Notes	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Investment in associates	7.1	**P 10,803,197**	P 10,809,343
Equity advances	7.2	**1,035,598**	1,034,165
		P 11,838,795	P 11,843,508

7.1 Investments in Associates

Investments in associates, accounted for under the equity method, is as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Acquisition costs:		
BOC	**P 7,801,496**	P 7,801,496
NLI	**232,000**	232,000
	8,033,496	8,033,496
Accumulated share in total comprehensive income:		
BOC	**2,507,231**	2,021,894
NLI	**268,616**	230,027
	2,775,847	2,251,921
Share in profit:		
BOC	**85,196**	489,647
NLI	**3,786**	38,589

Share in other comprehensive income (loss) of BOC:		
Fair value gains (losses) on financial assets at FVOCI	**(92,736)**	(87,747)
Equity reserve for retirement plan	**-**	74,486
Cumulative translation adjustment	**(2,392)**	8,951
	(95,128)	(4,310)
Dividend income	**-**	-
Net change during the year	**(6,146)**	523,926
Balance at end of the year	**P 10,803,197**	P 10,809,343

The summarized financial information of the Group's associates shown in their financial statements are as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
BOC		
Total assets	**P 210,772,118**	P 199,712,614
Total liabilities	**184,075,935**	176,349,881
Revenues	**1,946,572**	6,095,156
Profit	**213,364**	1,256,459
Other comprehensive income	**(238,231)**	(10,795)
NLI		
Total assets	**P 2,961,730**	P 3,675,551
Total liabilities	**372,109**	1,108,255
Revenues	**73,289**	1,183,346
Profit	**18,927**	192,943

BOC is required to meet certain ratios under the Bangko Sentral ng Pilipinas (BSP) regulations to manage the risks inherent in the banking business. As of the end of the reporting periods, BOC has complied with the statutory and regulatory capital requirements which were computed based on the regulatory accounting policies that differ from PFRS in some aspects. BOC's retained earnings as of the end of the reporting periods is restricted from dividend declaration to common stockholders to the extent of the amount of cumulative cash dividend in arrears of P320,200 declared by BOD on December 16, 2008 in favor of the stockholders of certain redeemed preferred shares.

On December 23, 2021, the Monetary Board of the BSP, in its Resolution No. 1798, approved the upgrade of the banking license of BOC from commercial bank to universal bank, subject to the public offering of its shares and listing the same with the PSE within one year from the date of the grant of the universal banking license.

On February 15, 2022, the SEC issued its pre-effective letter relating to the registration of securities up to 1,403,013,920 common shares of BOC to be listed and traded in the Main Board of the PSE in relation to its initial public offering. On February 16, 2022, the PSE approved the application for the listing of up to 1,403,013,920 common shares of BOC, which includes the 280,602,800 common shares subject of the initial public offering. The 1,403,013,920 common shares of BOC were listed with the Main Board of the PSE on March 31, 2022.

7.2 Equity Advances

This account includes cash advances granted to future investees of the Group. These advances will be applied against future subscriptions of the Group to the shares of stock of the future investee companies.

Management assessed that no impairment losses are required to be recognized on the equity advances for the periods ended March 31, 2022 and December 31, 2021. Total allowance for impairment as of March 31, 2022 and December 31, 2021 amounted to P79,452.

The movements of these equity advances are presented below.

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of year	**P 1,034,165**	P 3,854,472
Additions	**151,433**	154,693
Reclassification	**(150,000)**	(2,975,000)
Balance at end of the period	**P 1,035,598**	P 1,034,165

8. INVESTMENT PROPERTY

The gross amounts and accumulated depreciation and amortization of investment property as of March 31, 2022 and December 31, 2021 shown below.

	Land	Land Improvements	Building and Improvements	Capital Projects-in-Progress	ROU Asset	Total
March 31, 2022						
Cost	P 14,032,246	P 22,906	P 1,267,951	P 151,928	P 61,461	P 15,536,492
Accumulated depreciation and amortization	-	(6,488)	(519,840)	-	(21,346)	(547,674)
Net carrying amount	**P 14,032,246**	**P 16,418**	**P 748,111**	**P 151,928**	**P 40,115**	**P 14,988,818**
December 31, 2021						
Cost	P 14,264,742	P 22,906	P 1,268,332	P 146,360	P 61,461	P 15,763,801
Accumulated depreciation and amortization	-	(6,319)	(512,709)	-	(19,655)	(538,683)
Net carrying amount	P 14,264,742	P 16,587	P 755,623	P 146,360	P 41,806	P 15,225,118
January 1, 2021						
Cost	P 9,265,738	P 22,866	P 1,274,204	P 75,108	P 61,461	P 10,699,377
Accumulated depreciation and amortization	-	(5,643)	(483,367)	-	(12,892)	(501,902)
Net carrying amount	P 9,265,738	P 17,223	P 790,837	P 75,108	P 48,569	P 10,197,475

A reconciliation of the carrying amounts of investment property as of March 31, 2022 and December 31, 2021 shown below.

	Land	Land Improvements	Building and Improvements	Capital Projects-in-Progress	ROU Asset	Total
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 14,264,742	P 16,587	P 755,623	P 146,360	P 41,806	P 15,225,118
Additions	3,474	-		5,568	-	9,042
Reclassification	(235,970)					(235,970)
Depreciation and amortization charges during the year	-	(169)	(7,512)	-	(1,691)	(9,372)
Balance at March 31, 2022, net of accumulated depreciation and amortization	**P 14,032,246**	**P 16,418**	**P 748,111**	**P 151,928**	**P 40,115**	**P 14,988,818**

	Land	Land Improvements	Building and Improvements	Capital Projects-in-Progress	ROU Asset	Total
Balance at January 1, 2021, net of accumulated depreciation and amortization	P 9,265,738	P 17,223	P 790,837	P 75,108	P 48,569	P 10,197,475
Additions	698,362	40	10,065	71,252	-	779,719
Acquired through asset acquisition	4,204,313	-	-	-	-	4,204,313
Reclassification	114,950	-	(15,937)	-	-	99,013
Derecognition	(18,621)	-	-	-	-	(18,621)
Depreciation and amortization charges during the year	-	(676)	(29,342)	-	(6,763)	(36,781)
Balance at December 31, 2021, net of accumulated depreciation and amortization	**P 14,264,742**	**P 16,587**	**P 755,623**	**P 146,360**	**P 41,806**	**P 15,225,118**

The total rental income earned from investment property and the related costs are presented as Rental Income and Cost of Rentals accounts, respectively, in the consolidated statements of comprehensive income. On the other hand, the direct operating costs of investment properties that did not generate rental income, which mostly pertain to real property taxes, amounted to P18,026 and P54,152 in March 31, 2022 and December 31, 2021, respectively.

The Group also engages in transactions involving certain investment properties with related parties (see Note 15).

Based on the recent reports of independent appraisers, the Group's investment properties have a total fair value of P52,037,525 as of March 31, 2022 and December 31, 2021.

Information about the fair value measurement and disclosures related to investment property are presented in Note 20.4.

9. PROPERTY AND EQUIPMENT

The gross amounts and accumulated depreciation, amortization and impairment of property and equipment as of March 31, 2022 and December 31, 2021 shown below.

	Land and Improvements	Building and Improvements	Machineries and Transportation Equipment	Furniture Fixture and Other Improvements	Capital Projects in-Progress	Right-of-use Asset	Total
March 31, 2022							
Cost	P 1,099,221	P 3,520,910	P 188,756	P 605,876	P 3,440,421	P 907	P 8,856,091
Accumulated depreciation and amortization	(87,450)	(561,990)	(67,590)	(568,138)	-	(279)	(1,285,447)
Accumulated impairment loss	-	(1,020)	-	-	-	-	(1,020)
Net carrying amount	**P 1,011,771**	**P 2,957,900**	**P 121,166**	**P 37,738**	**P 3,440,421**	**P 628**	**P 7,569,624**
December 31, 2021							
Cost	P 850,585	P 3,520,910	P 158,112	P 603,719	P 3,384,871	P 907	P 8,519,104
Accumulated depreciation and amortization	(87,450)	(546,245)	(62,696)	(562,012)	-	(279)	(1,258,682)
Net carrying amount	P 763,135	P 2,974,665	P 95,416	P 41,707	P 3,384,871	P 628	P 7,260,422
January 1, 2021							
Cost	P 693,017	P 3,399,944	P 58,841	P 596,595	P 2,553,895	P 907	P 7,303,199
Accumulated depreciation and amortization	-	(360,075)	(12,439)	(529,392)	-	(186)	(902,092)
Net carrying amount	P 693,017	P 3,039,869	P 46,402	P 67,203	P 2,553,895	P 721	P 6,401,107

A reconciliation of the carrying amounts of property and equipment as of March 31, 2022 and December 31, 2021 shown below.

	Land and Improvements	Building and Improvements	Machineries and Transportation Equipment	Furniture Fixture and Other Improvements	Capital Projects in-Progress	Right-of-use Asset	Total
Balance at January 1, 2022, net of accumulated depreciation, amortization, and impairment	P 763,135	P 2,974,665	P 95,416	P 41,707	P 3,384,871	P 628	P 7,260,422
Additions			124	2,157	86,070	-	88,351
Reclassification	248,636		30,520		(30,520)		248,636
Depreciation and amortization charges for the year		(16,765)	(4,894)	(6,126)	-	-	(27,785)
Net carrying amount	**P 1,011,771**	**P 2,957,900**	**P 121,166**	**P 37,738**	**P 3,440,421**	**P 628**	**P 7,569,624**

	Land and Improvements	Building and Improvements	Machineries and Transportation Equipment	Furniture Fixture and Other Improvements	Capital Projects in-Progress	Right-of-use Asset	Total
Balance at January 1, 2021, net of accumulated depreciation, amortization, and impairment	P 693,017	P 3,039,869	P 46,402	P 67,203	P 2,553,895	P 721	P 6,401,107
Additions	-	982	57,704	5,844	830,923	-	895,453
Acquired through asset acquisition	6	861	382	127	-	-	1,376
Reclassification	70,112	-	-	-	53	-	70,165
Depreciation and amortization charges for the year	-	(67,047)	(9,072)	(31,467)	-	(93)	(107,679)
Net carrying amount	P 763,135	P 2,974,665	P 95,416	P 41,707	P 3,384,871	P 628	P 7,260,422

All the depreciation charges are reported as part of Depreciation and amortization under Other Operating Expenses section in the consolidated statements of comprehensive income.

Certain fully depreciated assets with acquisition costs of P527,710 as of March 31, 2022 are still being used in the Group's operations.

The Company's property and equipment is subject to impairment testing whenever there is an indication of impairment. There is no indication of impairment on property and equipment as of March 31, 2022 and December 31, 2021.

10. INTANGIBLE ASSETS

The gross carrying amounts and accumulated amortization of intangible assets as of March 31, 2022 and December 31, 2021 shown below.

	Software Licenses	Land Use Rights	Total
March 31, 2022			
Cost	P 45,105	P 164,213	P 209,318
Accumulated amortization	(36,550)	(1,106)	(37,656)
Net carrying amount	**P 8,555**	**P 163,107**	**P 171,662**
December 31, 2021			
Cost	P 44,355	P 164,213	P 208,568
Accumulated amortization	(35,927)	(1,106)	(37,033)
Net carrying amount	P 8,428	P 163,107	P 171,535
January 1, 2021			
Cost	P 36,131	P 164,213	P 200,344
Accumulated amortization	(34,618)	(1,053)	(35,671)
Net carrying amount	P 1,513	P 163,160	P 164,673

A reconciliation of the carrying amounts of intangible assets as of March 31, 2022 and December 31, 2021 shown below.

	Software Licenses	Land Use Rights	Total
Balance at January 1, 2022, net of accumulated amortization	P 8,428	P 163,107	P 171,535
Additions	750	-	750
Amortization charges for the year	(623)	-	(623)
Balance at March 31, 2022, net of accumulated amortization	**P 8,555**	**P 163,107**	**P 171,662**
Balance at January 1, 2021, net of accumulated amortization	P 1,513	P 163,160	P 164,673
Additions	8,340	-	8,340
Deconsolidation	(45)	-	(45)
Amortization charges for the year	(1,380)	(53)	(1,433)
Balance at December 31, 2021, net of accumulated amortization	P 8,428	P 163,107	P 171,535

Land use rights pertains to the interest in a joint arrangement on a certain development project. The development project commenced in 2018.

Intangible assets with finite useful lives are subject to impairment testing whenever there is an indication of impairment. There were no indication of impairment in 2022 and 2021 as determined by management.

The amount of amortization charges were presented as part of Depreciation and amortization under Other Operating Expenses section in the consolidated statements of comprehensive income.

No intangible assets have been pledged as security for liabilities of the Group.

11. OTHER NONCURRENT ASSETS

This account consists of the following as of March 31, 2022 and December 31, 2021:

	Notes		
Goodwill	11.1	**P**	**27,462**
Financial assets at FVOCI	11.2		**13,610**
Balance at the end of the period		**P**	**41,072**

11.1 Goodwill

Goodwill pertains to the excess of cost over fair value of net assets of Excel Unified at the time of acquisition. It is primarily related to growth expectations, expected future profitability and expected cost of synergies. Management also assessed that the entities will continue as a going concern entity and will have sufficient financial resources to finance its working capital requirements to achieve its projected forecast and to support its business needs. No impairment loss was needed to be recognized in 2022 and 2021.

11.2 Financial Assets at FVOCI

The fair values financial assets at FVOCI have been determined by reference to published prices in the market. Included in financial assets at FVOCI are golf club shares, which are proprietary membership club shares, and listed equity securities.

12. LOANS AND BORROWINGS

In the normal course of business, the Group obtains from local financial institutions unsecured, short-term, interest-bearing loans for the acquisitions of parcels of land, development of its real estate projects and property and equipment, additional investment in an associate and working capital requirements. These loans are renewable on a monthly basis and bear annual interest rates ranging from 2.48% to 2.64% in March 31, 2022 and 2.01% to 3.00% in December 31, 2021. The related loan agreements do not contain loan covenant provisions.

Interest expense charged to operations amounted to P59,467 and P72,654 in 2022 and 2021, respectively, and is presented as part of Finance Costs account in the consolidated statements of comprehensive income. Unpaid interest amounting to P20,316 and P19,608 as of March 31, 2022 and December 31, 2021, respectively, is shown as part of Other payables under Trade and Other Payables account in the consolidated statements of financial position (see Note 13).

No assets are pledged as collateral to the existing loans as of March 31, 2022 and 2021.

13. TRADE AND OTHER PAYABLES

This account is composed of:

	Notes	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Current:			
Accounts payable		**P 1,287,108**	P 1,559,159
Retention payable		**214,743**	226,993
Taxes payable		**133,002**	139,398
Provisions		**4,564**	4,564
Other payables	12	**76,523**	73,527
		P 1,715,940	P 2,003,641

Other payables significantly include accruals for various operating expenses, such as interest expense, outside services and short-term employee benefits. Contract liabilities are also recognized as part of other payables.

The carrying amount of accounts payable, retention payable and other payables, which are presented as current liabilities and are expected to be settled within the next 12 months from the end of the reporting period, is a reasonable approximation of fair value.

14. LEASES

The Group leases a certain building with remaining lease term of four years, which is currently being subleased by the Group to other parties. The outstanding obligation relating to this lease contract is presented as part of Lease Liabilities account in the consolidated financial statement of financial position. Moreover, the Group recognized Finance lease receivables under Receivables account on the portion of the building that are under sublease agreements classified as finance leases. The remaining portion of the building that is not under sublease agreement classified as finance leases is presented as Right-of-use assets under Investment Property account in the March 31, 2022 consolidated statement of financial position (see Note 8).

The Group also leases a certain parcel of land where one of its office buildings stands. The Group recognized Right-of-use asset for the leased land as part of Property and Equipment account (see Note 9) and the corresponding liability as part of Lease Liabilities account in the March 31, 2022 consolidated statement of financial position. The leases do not have variable lease payments which depend on an index or a rate. The leases are non-cancellable and do not contain an option to purchase the underlying lease asset outright at the end of the leases, or to extend the leases for a further term without mutual agreement on both parties. The Group is prohibited from selling or pledging the underlying leased assets as security. The Group must also keep the properties in a good state of repair and return the properties in their original condition at the end of the leases. Further, the Group must incur maintenance fees on such properties in accordance with the lease contracts.

Lease liabilities presented in the consolidated statement of financial position as of March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Current	P 12,669	P 16,677
Non-current	105,217	105,217
	P 117,886	P 121,894

15. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The Group's related parties include intermediate parent company, associates, other entities under common control and the Group's key management and retirement fund plan as described below and in the succeeding pages. Related parties under common control are subsidiaries and associates of SMC through direct or indirect equity ownership.

The following are the transactions with related parties.

Related Parties	Notes	Period	Revenue From Related Parties	Purchases From Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Intermediate Parent Company	8,14	2022	P 32,963	P 14,610	P 4,666	P 114,478	On demand or 30 days from the date of billing; Noninterest-bearing	Secured by advance rentals and security deposits, and unsecured
		2021	27,858	14,730	11,172	87,858		
Under Common Control	8,9,14	2022	269,141	50,621	397,456	216,269	On demand or 30 days from the date of billing or less than 2 to 4 years; Interest-bearing	Secured by advance rentals and security deposits, and unsecured
		2021	153,250	36,194	440,457	202,612		
Associates		2022	127	-	309,013	-	On demand; Interest-bearing	Secured
		2021	110	-	263,324	-		
		2022	P 302,231	P 65,231	P 711,135	P 330,747		
		2021	P 181,218	P 50,924	P 714,953	P 290,470		

(a) Revenue from related parties consist of lease income, management and other administrative fees, room revenues, sale of food and beverages and interest income from deposits with the Group's associate.

(b) Purchases from related parties consist of management and other administrative services, technical services and administration of the construction of the Group's real estate projects and purchase of raw materials and supplies.

(c) Amounts owed by related parties consist of contract receivables, accounts receivables, due from related parties, deposits and cash advances and equity advances. Contract receivables are payable in cash based on monthly amortization schedule. Rental receivables from lease of properties are payable in cash within 30 days from the date of billing. Accounts receivables and equity advances are payable in cash on demand.

(d) Amounts owed to related parties consist of accounts payable, due to related parties, advance rentals, and security deposits, which are all payable in cash. Leases to related parties are secured with advance rentals, which are applied at the end of thelease term. Security deposits are refundable in cash at the end of the lease term.

16. EQUITY

16.1 Capital Stock

The Company's capital stock consists of:

	Shares		Amount	
	2022	2021	**2022**	2021
Capital stock – P10 par value				
Authorized	**1,500,000,000**	1,500,000,000	**P 15,000,000**	P 15,000,000
Issued and outstanding:				
Balance at beginning of year	**1,130,172,748**	961,389,690	**P 11,301,727**	P 9,613,897
Issued during the year	**60,035,000**	168,783,058	**600,350**	1,687,830
Balance at end of year	**1,190,207,748**	1,130,172,748	**11,902,077**	11,301,727
Subscription receivable	(17,895,000)	(17,895,000)	(178,950)	(178,950)
Treasury stock – at cost	**(315,771)**	(315,771)	**(9,515)**	(9,515)
Total outstanding	**1,171,996,977**	1,111,961,977	**P 11,713,612**	P 11,113,262

On January 30, 1998, San Miguel Properties Philippines, Inc. (SMPPI) and Monterey Farms Corporation (MFC) executed a merger, which made MFC as the surviving entity. Prior to the merger, the shares of MFC totaling 115,919,850 was already listed and approved by PSE on January 30, 1986. These shares were initially issued at an offer price of P10 per share. There were no additional shares listed subsequent to the initial listing. On July 14, 1998, the SEC approved the change of corporate name from MFC to San Miguel Properties, Inc.

On January 3, 2012, the PSE issued Memorandum Circular No. 2012-0003, announcing the effectivity of the Amended Rule on Minimum Public Ownership. Under this memorandum, all listed companies are required to maintain a minimum public ownership of 10% of all issued and outstanding shares. On December 28, 2012, the Company received a letter from PSE imposing trading suspension until June 30, 2013 due to failure to comply with the minimum public ownership requirement.

On February 5, 2013, the BOD approved the filing of the petition for voluntary delisting and conduct of a tender for the acquisition of common shares held by the minority shares. On March 4, 2013, the Company filed with the PSE the petition for voluntary delisting with May 6, 2013 as the effective date of the delisting of the Company's common shares from the PSE. On April 25, 2013, the PSE approved the voluntary delisting of the Company following the completed tender offer made to acquire 1,072 shares from minority shareholders of which 309 shares was transferred and recorded as treasury shares for an equivalent transaction value of P41.

On June 29, 2017, SMC has agreed to subscribe 27,985,000 additional shares of the Company out of the 928,304,831 unissued shares from the approved increase of authorized capital stock in 2016. Total additions to Capital Stock and Additional Paid-in Capital accounts arising from the share subscription by the Intermediate Parent Company amounted to P279,850 and P278,451, respectively. Total costs directly related to the issuance of shares amounting to P1,399 were deducted from the Additional Paid-in Capital account.

On February 19, 2018, SMC subscribed additional shares of the Company from the unsubscribed portion of the existing authorized capital stock in the amount of P1,250,000 divided into 62,500,000 shares with par value of P10 per share. Total additions to Capital Stock and Additional Paid-in Capital accounts amounted to P625,000 and P618,750, respectively. Total costs directly related to the issuance of shares amounting to P6,250 were deducted from the Additional Paid-in Capital account.

On December 23, 2019, the Group issued additional shares to SMC from the unsubscribed portion of the existing authorized capital stock amounting to P1,150,000 divided into 57,500,000 shares with par value of P10 per share. This share issuance consequently resulted to total additions to capital stock and additional paid-in capital accounts amounting to P575,000 and P569,250, respectively. Total costs directly related to the issuance of shares amounting to P5,750 were deducted from the additional paid-in capital account.

In 2020, SMC, on separate occasions, subscribed to additional shares in the Parent Company from the unsubscribed portion of the existing authorized capital stock amounting to P4,827,875 divided into 241,393,750 shares with par value of P10.0 per share, of which P735,890 is still unpaid as of December 31, 2020. This subscription consequently resulted to total additions to capital stock and additional paid-in capital accounts amounting to P2,045,993 and P2,021,853, respectively. Total costs directly related to the issuance of shares amounting to P24,140 were deducted from the Additional Paid-in Capital account.

In 2021, SMC, on separate occasions, subscribed to additional shares in the Parent Company from the unsubscribed portion of existing authorized capital stock amounting to P3,375,661 divided into 168,783,058 shares with a par value of P10 per share, of which P357,900 is still unpaid as of December 31, 2021. This subscription, including the collection of subscription receivables from prior years, consequently resulted to total additions to Capital Stock and Additional Paid-in Capital accounts amounting to P1,876,826 and P1,858,291, respectively. Total costs amounting to P18,535 directly attributable to the issuance of shares were deducted from the Additional Paid-In capital account.

On February 24, 2022, the Group issued additional shares to SMC from the unsubscribed portion of the existing authorized capital stock amounting to P1,200,700 divided into 60,035,000 shares with par value of P10 per share. This share issuance consequently resulted to total additions to capital stock and additional paid-in capital accounts amounting to P600,350 and P594,347, respectively. Total costs directly related to the issuance of shares amounting to P6,003 were deducted from the additional paid-in capital account.

The Company has more than 200 stockholders holding shares of the Company's capital stock as of March 31, 2022 and December 31, 2021. The Company is still qualified to be a public corporation based on its quasi-public registration with the SEC.

As of March 31, 2022 and December 31, 2021, the Company has 75 stockholders owning 100 or more shares each of the Company's capital stock.

16.2 Restriction on Retained Earnings

Retained earnings is restricted for dividend declaration in the amount of P9,515 equivalent to the cost of the 315,771 shares held in treasury as of March 31, 2022 and December 31, 2021, and also, the accumulated share in profit of associates amounting to P2,769,701 and P2,775,847 for the periods then ended.

16.3 Appropriation of Retained Earnings

In 2011, the BODs approved the appropriation of P5,000,000 of the Group's retained earnings for its existing and pipeline real estate projects. On March 14, 2017, the Company's BOD reversed the appropriation amounting to P5,000,000 as the purpose for which such appropriations were made has been completed. Also on the same date, the Company's BOD approved the appropriation of P4,500,000 of the Company's retained earnings for the development of Caticlan project from 2017 to 2022.

16.4 Other Reserves

In the first quarter of 2022, the Group increased its ownership interest in the subsidiairies acquired through asset acquisition to 88% for a total consideration of P600,000. Such change in ownership interest did not result to obtaining or losing control; hence, the difference between the consideration paid and the additional share acquired by the Group amounting to P39,466 is recognized as part of Other Reserves under the Equity section of the March 31, 2022 consolidated statement of equity.

In 2018 and 2016, the excess of the total consideration and the acquired interest of Zee2 Resources and Geosolutions amounting to P10,216 and P182,099, respectively, is presented as part of Other Reserves in the consolidated statements of changes in equity. The total consideration paid in the acquisition in 2018 and 2016 amounted to P229,500 and P290,700, respectively.

In 2010, GSIS exercised the put option which gave the Company 100% equity ownership interest in SMPI Flagship. This resulted in the recognition of Other Reserves that pertain to the excess of the exercise price of the put option paid by the Company and its corresponding share in the additional net assets of SMPI Flagship amounting to P88,200.

17. EARNINGS PER SHARE

Basic and diluted earnings per share amounts as of March 31, 2022 were computed as follows:

	March 31, 2022 (Unaudited)		March 31, 2021 (Unaudited)	
Net profit (loss) attributable to owners of the parent company for the period	**P**	**112,875**	P	49,431
Divided by weighted average number of outstanding common shares *(in thousands)*		**1,057,325**		676,555
Earnings (loss) per share – basic and diluted	**P**	**0.11**	P	0.07

The weighted average number of shares as of March 31, 2022 is computed as follows:

	Number of Shares	Months Outstanding	Weighted Number of of Shares
Balance at beginning of year	975,358,477	12	11,704,301,724
	40,319,500	9	362,875,500
	24,893,000	8	199,144,000
	49,123,500	6	294,741,000
	22,267,500	3	66,802,500
Share issuance during period	60,035,000	1	60,035,000
Balance at end of year	1,171,996,977		12,687,899,724
Divided by			12
Weighted average number of shares outstanding			**1,057,324,977**

Diluted earnings per share equal the basic earnings per share since the Company does not have dilutive shares as of March 31, 2022 and December 31, 2021.

18. RISK MANAGEMENT OBJECTIVES AND POLICIES

It is the Group's policy to ensure that capabilities exist for active and prudent management of its financial risks. The Group does not engage in any speculative derivative transactions. The BOD has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's principal financial instruments include non-derivative instruments which arise directly from its operations. The financial risks to which the Group is exposed to are described below and in the succeeding page.

18.1 Market Risk

(a) Foreign Currency Risk

There is no significant exposure to foreign currency risks since most of the Group's transactions are denominated in Philippine pesos which is its functional currency. The Group's financial asset denominated in foreign currency only pertains to cash in bank. However, the amount is insignificant as of March 31, 2022 and December 31, 2021. The Group has no financial liabilities denominated in foreign currency.

(b) Interest Rate Sensitivity

The Group's exposure to changes in interest rates relates primarily to the Group's interest-bearing loans and borrowings and cash and cash equivalents which are subject to variable interest rates. All other financial assets and financial liabilities have fixed rates.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

In managing interest rate, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in interest rates would have an impact on consolidated earnings.

The table below illustrates the sensitivity of consolidated profit before tax for the years in regards to the Group's cash and cash equivalents and interest-bearing loans and borrowings. These percentages have been determined based on the average market volatility rates, using standard deviation, in the previous 12 months, estimated at 68% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held at end of the reporting periods.

	March 31, 2022 (Unaudited)		March 31, 2021 (Unaudited)	
	Reasonably possible change in rate	**Effect in Profit or loss before tax**	Reasonably possible change in rate	Effect in Profit or loss before tax
Profit or loss before tax:				
Net increase	**+ 1.40 %**	**(P 32,392)**	+ 1.56 %	(P 38,957)
Net decrease	**- 1.40 %**	**32,392**	- 1.56 %	38,957

(c) Other Price Risk Sensitivity

The Group's market price risk arises from its financial assets at FVOCI which is considered negligible as the amount of the assets is not material. It manages its risk arising from changes in market price by monitoring the changes in the market price of the investment.

18.2 Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales of real estates are made to customers with appropriate credit history and has internal mechanism to monitor the granting of credit and management of credit exposures. The Group has provided allowance for impairment on receivables, where necessary, for potential losses on credits extended. The Group's contract receivables are effectively collateralized by real estate titles, which are subject to rescission and repossession upon nonpayment after reasonable collection effort has been exerted by the Group while the Group's rental receivables are effectively collateralized by security deposits and advance rental which can be applied by the Group upon default of the lessee of its contracted rental payment. Other financial assets are not secured by any collateral or other credit enhancements.

The Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments, net of the value of advance rentals, security deposits and collaterals, if any.Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position as of March 31, 2022 and December 31, 2021 (or in the detailed analysis provided in the notes to the consolidated financial statements), as summarized below.

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash and cash equivalents	**P 2,002,541**	P 2,018,829
Receivables - net (excluding advances to contractors)	**759,035**	718,941
Contract assets	**2,869**	780
	P 2,764,445	P 2,738,550

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500 for every depositor per banking institution.

(b) Receivables and Contract Assets

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all Receivables and Contract assets.

The Group's Contract receivables and Contract assets relate mostly to receivables from third parties arising from sale of real estate and undeveloped land. The Group uses credit loss rate approach to calculate ECL for Contract receivables and Contract assets. The management determined that there is no required ECL to be recognized on the Group's Contract receivables and Contract assets as it is secured to the extent of the fair value of the real properties sold since the title to the real estate properties remains with the Group until the contract assets or receivables are fully collected. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient.

ECL for the Group's accounts receivables and due from related parties, on the other hand, is determined based on the related parties' ability to repay the advances upon demand at the reporting date, taking into consideration historical defaults from the related parties.

Other components of Receivables such as Accounts receivable, Rental receivables and Due from related parties are also evaluated by the Group for impairment and assessed that no ECL should be provided based on the available liquid assets and credit standing of the counterparties. Further, rental receivable is secured to the extent of advance rental and rental deposit received from the lessees.

The Group's management considers that all the financial assets are not impaired, except those specifically provided with allowance for impairment, as of the end of the reporting periods.

18.3 Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments or that a market for derivatives may not exist in some circumstances.

The Group's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and, (d) to maintain an adequate time spread of refinancing maturities.

The maturity profile of the Group's financial liabilities (excluding unpaid taxes and provisions) as of March 31, 2022 based on contractual undiscounted payments is as follows:

	Current		Noncurrent	
	Within 6 months	6 to 12 months	1 to 3 years	Later than 3 years
Loans and borrowings	P 11,889,416	P -	P -	P -
Trade and other payables	1,368,193	214,743	-	-
Rental deposits	25,270	63,553	8,277	6,288
Due to related parties	33,357	-	-	-
	P 13,316,236	P 278,296	P 8,277	P 6,288

The maturity profile of the Group's financial liabilities (excluding unpaid taxes and provisions) as of December 31, 2021 based on contractual undiscounted payments is as follows:

	Current		Noncurrent	
	Within 6 months	6 to 12 months	1 to 3 years	Later than 3 years
Loans and borrowings	P 11,946,709	P -	P -	P -
Trade and other payables	1,637,250	226,993	-	-
Rental deposits	23,082	57,411	6,618	10,991
Due to related parties	33,357	-	-	-
	P 13,640,398	P 284,404	P 6,618	P 10,991

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

19. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

19.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

		March 31, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial assets					
Financial assets at amortized cost:					
Cash and cash equivalents		**P 2,002,541**	**P 2,002,541**	P 2,018,829	P 2,018,829
Receivables – net (excluding advances to contractors)		**759,035**	**759,035**	718,941	718,941
Contract Asset		**2,869**	**2,869**	780	780
Financial assets at FVOCI	11	**13,610**	**13,610**	13,610	13,610
		P 2,778,055	**P 2,778,055**	P 2,752,160	P 2,752,160
Financial liabilities					
Financial liabilities at amortized cost:					
Loans and borrowings	12	**P 11,889,416**	**P 11,889,416**	P 11,927,100	P 11,927,100
Trade and other payables	13	**1,582,936**	**1,582,936**	1,864,244	1,864,244
Lease liabilities	14	**117,886**	**117,886**	121,894	121,894
Due to related parties	15	**33,357**	**33,357**	33,357	33,357
Rental deposits		**103,390**	**103,390**	98,103	98,103
		P 13,726,985	**P 13,726,985**	P 14,044,698	P 14,044,698

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 18.

19.2 Offsetting of Financial Assets and Financial Liabilities

The Group has not set-off financial instruments in 2022 and 2021 and does not have relevant offsetting arrangements. Currently, all financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BODs and stockholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 15 can be potentially offset to the extent of their corresponding outstanding balances.

20. FAIR VALUE MEASUREMENT AND DISCLOSURES

20.1 Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and financial liabilities and nonfinancial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Group is the current bid price.

20.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

Management considers that due to the short duration of these financial assets (except long-term receivables) and financial liabilities measured at amortized cost, their carrying amounts as of March 31, 2022 and December 31, 2021 approximate their fair value. Except for cash and cash equivalents which is classified under Level 1, all other financial instruments are classified under Level 3 wherein inputs are not based on observable data.

The fair values of the financial assets and financial liabilities included in Level 3 which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

20.3 Fair Value Measurement of Financial Assets

The Group's golf club shares classified as financial assets at FVOCI are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

There is no change in fair value of these financial assets in March 31, 2022 and December 31, 2021. Any changes in fair value is presented as Fair Value Gains account in the consolidated statements of comprehensive income and the accumulated changes is presented as part of Accumulated Fair Value Gains (Losses) – net account in the Equity section of the consolidated statements of financial position.

There were neither transfers between Levels 1 and 2 nor changes in Level 3 instruments in March 31, 2022 and December 31, 2021.

The Group has no financial liabilities measured at fair value as of March 31, 2022 and December 31, 2021.

20.4 Fair Value Measurement on Nonfinancial Assets

Management considers the hierarchy of disclosed fair values of raw land inventory and investment property measured at cost and the fair value used to determine the impairment loss on certain property and equipment to be at Level 3. The fair value is determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations, from existing bid and offer prices and from recent sale transactions of adjacent properties. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's investment properties and raw land inventory are their current use.

The Level 3 fair value of raw land inventory and investment properties was derived using the observable recent transaction prices for similar properties in nearby locations adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square meter, hence, the higher the price per square meter, the higher the fair value.

There has been no change to the valuation techniques used by the Group during the year for its investment properties. Also, there were neither transfers between Levels 1 and 2 nor changes in Level 3 instruments in March 31, 2022 and December 31, 2021.

21. CAPITAL MANAGEMENT OBJECTIVE, POLICIES AND PROCEDURES

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debts, return capital to stockholders or issue new shares.

The Group defines capital as paid-in capital stock, which includes additional paid-in capital and retained earnings, both the restricted and available for dividend declaration portions. Other components of equity such as treasury shares and revaluation reserves are excluded from capital for purposes of capital management. The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business, operation and industry.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total liabilities (excluding deferred tax liabilities – net) divided by total equity attributable to owners of the Company [excluding accumulated fair value gains (losses) – net, cumulative translation adjustment and reserve for retirement plan]. Capital for the reporting periods as of March 31, 2022 and December 31, 2021 under review is summarized as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Total adjusted liabilities	**P 14,139,273**	P 14,486,063
Total adjusted equity	**31,967,060**	30,698,955
Debt-to-equity ratio	**0.44:1.00**	0.47:1.00

The Group, except for BOC which is subject to certain capitalization requirement by the BSP, is not subject to externally imposed capital requirements.

ANNEX "B"

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of San Miguel Properties, Inc. ("SMPI" or the "Company") and its subsidiaries (collectively referred to as the "Group") as of and for the period ended March 31, 2022 (with comparative figures as of December 31, 2021 and for the period ended March 31, 2021). All necessary adjustments to present fairly the consolidated financial position, performance and cash flows of the Group as of March 31, 2022, and for all the other periods presented, have been made. Certain information and footnote disclosure normally included in the unaudited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards have been omitted.

I. 2022 KEY TRANSACTIONS

(a) Additional subscription

San Miguel Corporation ("Parent Company") made additional subscription to the Company worth P1.2B or equivalent to Sixty Million Thirty-Five Thousand (60,035,000) common shares at P20 per share (at P10 additional paid-in capital per share).

During the quarter, the Company increases its subscription in the following subsidiaries: (1) P95M in Moonspring Development Inc. and (2) P5M in various subsidiaries. The subscription was fully paid during the same period.

The Company also made additional deposits for future stock subscription to the following subsidiaries: (1) La Belle Plume – P3M; (2) Cliffside Rock – P3M and (3) various subsidiaries – P2M.

(b) Acquisition of properties

During the quarter, the Company acquired properties located in NCR and Central and Southern Luzon which were accounted under Deposits on Land for Future Development.

II. FINANCIAL PERFORMANCE

2022 vs. 2021

In Millions PHP	Unaudited 2022	Unaudited 2021	Changes Amount	%
REVENUES				
Rental income	184	161	23	14%
Room revenues	126	80	46	57%
Service income	126	16	110	688%
Sale of food and beverages	24	12	12	97%
Real estate sales	13	80	-67	-84%
Others	4	2	2	100%
	477	**351**	**126**	
COSTS OF SALES AND SERVICES				
Service Cost	100	14	86	614%
Room services	66	51	15	29%
Rentals	29	24	5	21%
Food and beverages sold	28	18	10	58%
Real estate sold	8	46	-38	-83%
	231	**153**	**78**	51%
GROSS PROFIT	**246**	**198**	**48**	**24%**
OTHER OPERATING EXPENSES	**123**	**140**	**-17**	**-12%**
OPERATING PROFIT	**123**	**58**	**65**	
OTHER INCOME (CHARGES)				
Share in profit of associates	89	75	14	19%
Finance costs	-81	-97	16	-16%
Finance income	6	6	0	0%
Miscellaneous income (charges) - net	-2	4	-6	-150%
	12	**-12**	**24**	
PROFIT BEFORE TAX	**135**	**46**	**89**	**195%**
TAX EXPENSE (BENEFIT)	**24**	**-3**	**27**	**-895%**
NET PROFIT AFTER TAX	**111**	**49**	**62**	**128%**
NONCONTROLLING INTEREST	**-2**	**0**	**-2**	**100%**
NET PROFIT	**113**	**49**	**64**	**132%**

The Group ended the first quarter with P113 million net income attributable to the net owners of the parent company from P49 million net income in 2021. This was mainly due to the improvement of revenue attributable to higher hotel revenue and service income coupled by the decrease in operating expenses and finance cost for the period.

Real estate sales decreased by 84% mainly due to lower sales take up on residential sales due to depleting inventory level.

Revenue from the Group's hotel business comprising of room revenues, sale of food and beverages, and others increased from P94 million to P154 million. This was mainly attributable to the increase in occupancy rate of Makati Diamond Residences (MDR) from 50.28% to 72.31% due to easing of government mobility restrictions to the lowest level.

Rental income increased by 14% mainly due to new lease contracts for the period.

Service income increased by P110 million because of the increase in volume and scope of services rendered to related parties.

Cost of sales increased by 51% primarily because of the increase in hotel revenue and service income for the period.

The Group's operating expenses decreased by 12% as compared with 2021 mainly due to reclassification of manpower cost to cost of service, lower sales commission due to depleting inventory, reduced by additional taxes and licenses paid for the additional stock subscription and higher contracted services in 2022.

Share in net earnings of associates increased by P14 million or 19% as compared with 2021 mainly due to higher income earned by Bank of Commerce (BOC).

Finance costs decreased by 16% mainly due to repayment of loans for the period.

Miscellaneous income (charges) – net decreased from P4 million income to P2 million charges due to the donations made on various relocation projects of the Group.

Tax expense (benefit) increased from P3 million benefit to P24 million expense mainly due to reduction of net operating loss carry over (NOLCO), higher taxable income for the quarter and impact of CREATE law in 2021.

Noncontrolling interest decreased by P2 million mainly due to higher net loss of certain subsidiary.

2021 vs. 2020

In Millions PHP	Unaudited	Unaudited	Changes	
	2021	2020	Amount	%
REVENUES				
Rental income	161	171	-10	-6%
Real estate sales	80	598	-518	-87%
Room revenues	80	133	-53	-40%
Service income	16	0	16	100%
Sale of food and beverages	12	38	-26	-69%
Others	2	5	-3	-56%
	351	**945**	**-594**	
COSTS OF SALES AND SERVICES				
Room services	51	92	-41	-44%
Real estate sold	46	439	-393	-90%
Rentals	24	19	5	23%
Food and beverages sold	18	42	-24	-57%
Service Revenue	14	0	14	100%
	153	**592**	**-439**	-74%
GROSS PROFIT	**198**	**353**	**-155**	**-44%**
OTHER OPERATING EXPENSES	**140**	**171**	**-31**	**-18%**
OPERATING PROFIT	**58**	**182**	**-124**	
OTHER INCOME (CHARGES)				
Finance costs	-97	-152	55	-36%
Share in profit of associates	75	-27	102	-382%
Finance income	6	11	-5	-43%
Miscellaneous income (charges) - net	4	2	2	108%
	-12	**-166**	**154**	
PROFIT BEFORE TAX	**46**	**16**	**30**	**193%**
TAX EXPENSE (BENEFIT)	**-3**	**17**	**-20**	**-118%**
NET PROFIT AFTER TAX	**49**	**-1**	**50**	**-3979%**
NONCONTROLLING INTEREST	**0**	**-2**	**2**	**-100%**
NET PROFIT	**49**	**1**	**48**	**6423%**

The Group ended first quarter of 2021 with P49 million net income attributable to the net owners of the parent company from P1 million net income in 2020. This was mainly due to the lower operating expenses from P171 million to P140 million, higher share in profit of associates by P102 million and lower finance cost, reduced by the lower gross profit in 2021.

Real estate sales decreased by 87% mainly due to the sale of properties to related parties in 2020 amounting to P596 million, reduced by higher sale of Cavite projects in 2021.

Rental income decreased by 6% mainly due to adjustment in PAS17, *Leases* in 2021.

Revenue from the Group's hotel business comprising of room revenues, sale of food and beverages, and others decreased from P176 million to P94 million. This was mainly attributable to the decrease in occupancy rate of Makati Diamond Residences (MDR) from 63.4% to 50.3% because of the continuous impact of the pandemic.

Service income increased to P16 million mainly due to the timing difference in the billing of services rendered to related parties for right of way acquisition.

Cost of sales decreased by 74% mainly attributable to lower sales in 2021.

Operating expenses decreased from P171 million to P140 million mainly due to lower taxes paid in 2021, lower personnel expenses due to reclassification to cost of service and lower contracted services attributed to lower hotel services and fees.

Finance costs decreased by 36% mainly due to lower interest rate from 5.1% to 2.7%.

Share in profit of associates increased by P102 million due to reduction in provision for credit losses recognized by Bank of Commerce (BOC) in 2021.

Finance income decreased by P5 million mainly due to lower interest earned from placements.

Miscellaneous income (charges) – net increased by P2 million due to the miscellaneous expenses charged to related parties.

Tax expense (benefit) lowered by P 20 million due to lower taxable income and impact of CREATE bill.

III. FINANCIAL POSITION

2022 vs. 2021

In Millions Php	Unaudited	Audited	Changes	
	2022	2021	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	2,003	2,019	-16	-1%
Receivables - net	418	437	-19	-4%
Real estate projects	1,436	1,440	-4	0%
Raw land inventory	3,341	3,341	0	0%
Other current assets - net	1,824	1,746	78	4%
	9,022	**8,983**	**39**	
NONCURRENT ASSETS				
Receivables	701	678	23	3%
Deposits on land for future development	2,362	2,200	162	7%
Equity advances and investments in associate	11,838	11,844	-6	0%
Investment property - net	14,989	15,225	-236	-2%
Property and equipment - net	7,570	7,260	310	4%
Intangible assets - net	172	172	0	0%
Retirement benefits asset	36	36	0	0%
Deferred tax assets - net	64	70	-6	-8%
Other noncurrent assets - net	41	41	0	0%
	37,773	**37,526**	**247**	
CURRENT LIABILITIES				
Loans and borrowings	11,869	11,927	-58	0%
Trade and other payables	1,716	2,003	-287	-14%
Lease liabilities	13	17	-4	-24%
Due to related parties	33	33	0	0%
Advance rentals and deposits	237	230	7	3%
Customers' deposits	164	169	-5	-3%
Income tax payable	2	2	0	0%
	14,034	**14,381**	**-347**	
NONCURRENT LIABILITIES				
Lease liabilities	105	105	0	0%
Retirement benefit liability	0	0	0	0%
Deferred tax liabilities - net	100	89	11	13%
	205	**194**	**11**	
EQUITY				
Capital stock	11,723	11,123	600	5%
Additional paid-in capital	11,167	10,573	594	6%
Treasury shares - at cost	-10	-10	0	0%
Accumulated fair value gain (loss)	-196	-104	-92	88%
Cumulative translation adjustment	0	3	-3	100%
Reserve for retirement plan	-123	-123	0	0%
Other reserves	-342	-304	-38	13%
Retained earnings	9,429	9,317	112	1%
Noncontrolling interest	908	1,459	-551	-38%
	32,556	**31,934**	**622**	

Deposits on land for future development increased by 7% mainly due to the additional payments made for properties in NCR and in Central and Southern Luzon.

Deferred tax assets - net decreased by 8% mainly due to reduction in net operating loss carry over (NOLCO) and in minimum corporate income tax (MCIT).

Trade and other payables decreased by 14% mainly due to settlement of remaining payable on the purchase of additional share on various subsidiaries purchased in 2021.

Lease liabilities decreased by 24% due to payments made in 2022.

Deferred tax liabilities increased by 13% mainly due to additional recognition of PAS17 on the Group's lease contracts.

Capital stock and additional paid-in capital increased by 5% and 6%, respectively, mainly due to the additional subscription of Parent Company.

Accumulated fair value losses increased from P104 million to P196 million due to the share in the unrealized loss recognized on Bank of Commerce's (BOC) financial assets measured at fair value through profit and loss (FVTPL).

Cumulative translation adjustment decreased by P3 million due to the share in translation adjustments recognized by BOC.

Other reserves increased by 13% while Noncontrolling interest decreased by 38% due to the acquisition of additional shares in 2021 acquired subsidiaries.

2021 vs. 2020

In Millions Php	Unaudited	Audited	Changes	
	2021	2020	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	1,396	1,151	245	21%
Receivables - net	429	494	-65	-13%
Real estate projects	1,445	1,483	-38	-3%
Raw land inventory	3,400	2,583	817	32%
Other current assets - net	1,662	1,553	109	7%
	8,332	**7,264**	**1,068**	
NONCURRENT ASSETS				
Receivables	1,120	1,083	37	3%
Deposits on land for future development	2,144	2,114	30	1%
Equity advances and investments in associates	11,164	14,140	-2,976	-21%
Investment property - net	14,616	10,197	4,419	43%
Property and equipment - net	6,503	6,401	102	2%
Intangible assets - net	165	165	0	0%
Deferred tax assets - net	78	95	-17	-18%
Other noncurrent assets - net	41	41	0	0%
	35,831	**34,236**	**1,595**	
CURRENT LIABILITIES				
Loans and borrowings	12,665	12,646	19	0%
Trade and other payables	2,251	1,680	571	34%
Lease liabilities	13	14	-1	-8%
Due to related parties	33	33	0	0%
Advance rentals and deposits	234	238	-4	-1%
Customers' deposits	156	159	-3	-2%
Income tax payable	1	1	0	0%
	15,353	**14,771**	**582**	
NONCURRENT LIABILITIES				
Lease liabilities	120	122	-2	-2%
Retirement benefit liability	0	5	-5	-93%
Deferred tax liabilities - net	55	67	-12	-17%
	175	**194**	**-19**	
EQUITY				
Capital stock	9,562	9,246	316	3%
Additional paid-in capital	9,028	8,714	314	4%
Treasury shares - at cost	-10	-10	0	0%
Accumulated fair value gain (loss)	-98	-16	-82	-38%
Cumulative translation adjustment	0	-6	6	-100%
Reserve for retirement plan	-227	-224	-3	23%
Other reserves	-280	-281	1	0%
Retained earnings	8,806	8,757	49	1%
Noncontrolling interest	1,854	355	1,499	423%
	28,635	**26,535**	**2,100**	

Cash increased by 21% mainly due to additional subscription and collections received in 2021, reduced by payment for land acquisitions and payment for interest and bank charges.

Receivables – net decreased by 13% due to collections made in 2021.

Raw land inventory increased by 32% mainly due to the additions in land from the newly acquired subsidiaries located in Southern Luzon.

Other current and non-current assets - net increased by 7% in 2021 mainly attributed to the unamortized real property taxes, higher input vat due to land acquisitions and additions brought by the newly acquired subsidiaries.

Equity advances and investments in associates decreased by 21% mainly due to realization of deposit for investment for the purchase subsidiaries.

Investment property – net increased by 43% because of the additions in land from the newly acquired subsidiaries located in Southern Luzon.

Deferred tax asset decreased by 18% mainly due to reduction of net operating loss carry over (NOLCO) and impact of CREATE bill.

Trade and other payables increased by 34% mainly due to the deposit for future stock subscription from the Parent company.

Lease liabilities decreased by 8% due to payments made in 2021.

Retirement benefit liability decreased by 93% mainly due to the contribution made in 2021 and recognition of cost.

Deferred tax liabilities – net decreased by 17% mainly due to the impact of CREATE law.

Accumulated fair value losses increased by P82 million due to the share in the unrealized loss recognized on Bank of Commerce's (BOC) financial assets measured at fair value through profit and loss (FVTPL).

Cumulative translation adjustment decreased by P6 million due to the share in translation adjustments recognized by BOC.

Reserve for retirement plan increased by P3 million due to impact of CREATE law.

Noncontrolling interest increased by P1.5 billion due to the newly acquired subsidiaries.

IV. SOURCES AND USES OF CASH

A brief summary of cash flow movement is shown below:

(In thousands)	**March 31**	
	2022	2021
Net cash used in operating activities	**(P 378,463)**	(P 79,089)
Net cash used in investing activities	**(698,021)**	(760,693)
Net cash from financing activities	**1,060,196**	1,085,403

Net cash used in operations basically consists of income for the period less changes in noncash current assets, certain current liabilities and others.

Net cash used in investing activities includes the following:

(In thousands)	**March 31**	
	2022	2021
Additions to investment property	**(P 9,035)**	(P 111,619)
Acquisitions of property and equipment	**(88,352)**	(127,727)
Interest received	**1,545**	631
Additional equity advances	**(1,430)**	(521,978)
Acquisition of additional shares in various subsidiaries	**(600,000)**	-
Acquisition of intangible assets	**(749)**	-
Net cash used in investing activities	**(P 698,021)**	(P 760,693)

Net cash from financing activities includes the following:

(In thousands)	**March 31**	
	2022	2021
Net loan repayments	**(P 58,000)**	P 18,500
Interest paid	**(75,098)**	(85,529)
Collection of lease receivables	**1,315**	1,509
Repayment of lease liabilities	**(2,718)**	(2,783)
Proceeds from issuance of shares of stock	**1,200,700**	633,713
Share issuance costs paid	**(6,003)**	(5,007)
Deposits received for future stock subscription	**-**	525,000
Net cash from financing activities	**P 1,060,196**	1,085,403

V. KEY PERFORMANCE INDICATORS

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

Key Performance Indicators	March 31, 2022	December 31, 2021
Current Ratio	**0.64 : 1.00**	0.62 : 1.00
Total Assets to Equity Ratio	**1.44 : 1.00**	1.46 : 1.00
Debt to Equity Ratio	**0.44 : 1.00**	0.45 : 1.00
Return on Average Equity Attributable to Owners of the Parent Company	**0.36%**	1.91%
	Period Ended March 31	
	2022	2021
Volume Growth		
Lease	**6.64%**	0%
Real Estate Sales	**(86.00%)**	(86.57%)
Hotel	**39.71%**	(46.83%)
Service income	**673.24%**	4708%
Revenue Growth	**36.07%**	(62.88%)
Operating Margin	**25.50%**	16.41%
Interest Coverage Ratio	**3.90 : 1**	2.12 : 1

The manner by which the Group calculates the above indicators is as follows:

Key Performance Indicators	Formula
Current Ratio	Current Assets / Current Liabilities
Total Assets to Equity Ratio	Total Assets / Equity + Non-Controlling Interest
Debt to Equity Ratio	Total Liabilities (Excluding deferred tax liabilities) / Total Equity (Excluding Accumulated Fair Value Loss, CTA, Dilution Loss and Treasury Shares)
Return on Average Equity	Net Income Attributable to Owners of the Parent Company * / Average Equity Attributable to Owners of the Parent Company
Volume Growth	(Sum of all Businesses' Revenue at Prior Period Prices / Prior Period Net Sales) - 1
Revenue Growth	(Current Period Net Sales / Prior Period Net Sales) - 1
Operating Margin	Income from Operating Activities / Net Sales
Interest Rate Coverage Ratio	EBITDA / Interest Expense and Other Financing Charges

V. OTHER MATTERS

a. Commitments and Contingencies

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

1. Operating Leases – Group as Lessor

The Group is a lessor under operating leases covering certain real estate properties. The leases have terms ranging from one to five years, with renewal options, and include annual escalation rates of 3% to 7%.

The future minimum lease collections receivable under these operating leases as are presented below.

(In Thousands)		**March 31, 2022**		December 31, 2021
Within one year	**P**	**442,254**	P	495,925
After one year but not more than five years		**930,793**		935,277
After five years but not more than ten years		**3,064,575**		1,213,570
More than ten years		**2,581,722**		4,487,695
	P	**7,019,344**	P	7,132,467

2. Operating Lease – Group as Lessee

The Group is a lessee under lease agreement covering a certain parcel of land. The lease contract has expired by the end of 2016 and was renewed for another 10 years. In 2020, the Company adopted the new standard PFRS 16, *Leases*.

3. Legal Claims

In 2007, a provision amounting to P4.6 million in connection with Excel Unified's pending settlement of a dispute regarding a right of way in Wedgewoods was recognized. The provision remains outstanding as of the reporting periods. The Group's management, based on the advice of its legal counsels, believes that the recognized provision with regard to its legal case is reasonable and additional liabilities or losses, if any, that may arise from other claims will not have material effect on its consolidated financial statements.

b. **Material Events and Uncertainties**

Other than the disclosures described in the preceding sections, the Group has nothing to report on the ff:

1. Any known trends, events or uncertainties that will have a material impact on its liquidity.

2. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

3. Material off balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

4. Any material commitments for capital expenditure

5. Any known trends, events, uncertainties or significant elements that will have a material impact on sales/revenue/income from continuing operations.

6. Any seasonal aspects that has material effect on the financial condition or results of operations.

C. ***Others***

1. On December 23, 2021, the Monetary Board of the BSP, in its Resolution No. 1798, approved the upgrade of the banking license of BOC from commercial bank to universal bank, subject to the public offering of its shares and listing the same with the PSE within one year from the date of the grant of the universal banking license.

   On February 15, 2022, the SEC issued its pre-effective letter relating to the registration of securities of up to 1,403,013,920 common shares of BOC to be listed and traded in the Main Board of the PSE in relation to its initial public offering. On February 16, 2022, the PSE approved the application for the listing of up to 1,403,013,920 common shares of BOC, which includes the 280,602,800 common shares subject of the initial public offering. The 1,403,013,920 common shares of BOC were listed with the Main Board of the PSE on March 31, 2022.

2. On March 23, 2021, a certain subsidiary received a Notice of Arbitration from the Construction Industry Arbitration Commission relative to a complaint filed by a certain contractor against such subsidiary. On February 28, 2022, the complaint was resolved and the subsidiary was required to pay the contractor for work performed relating to the subsidiary's project amounting to P90.3 million, which is net of claims awarded to that subsidiary. The liability was recognized as part of the Trade and Other Payables account in the 2021 consolidated statement of financial position. The corresponding work performed by the contractor was capitalized as part of Capital projects-in-progress under Property and Equipment account in the 2021 consolidated statement of financial position.

3. Below are the subsidiaries with significant contribution to the Group's net income.

	Net income (loss) after tax (in millions)	
Companies	**March 31, 2022**	**March 31, 2021**
E-fare Investment Holdings Inc.	45	41
Bright Ventures Realty Inc	- 22	- 16
SMPI Makati Flagship Realty	12	- 19
Tierra Verdosa Real Estate Services	5	- 9
Various subsidiaries	- 16	- 23
Associates	89	75
Consolidated net income (loss)	**113**	**49**

SAN MIGUEL PROPERTIES, INC. AND SUBSIDIARIES
SEC Released Amended SRC Rule 68
Annex 68-E
Aging of Receivables
as of March 31, 2022
(Amounts in Thousand Philippine Pesos)

				TRADE RECEIVABLES PAST DUE			
	Total Receivables	*Non-Current*	*Current*	*Not more than 30 days*	*More than 30 days but not more than 60 days*	*More than 60 days but not more than 90 days*	*More than 90 days*
Trade	P 643,674	P 394,450	P 75,990	P 77,416	P 84,190	P 7,339	P 4,289
Non-Trade	832,402	269,014	450,357	15,510	619	199	96,703
	P 1,476,076	**P 663,464**	**P 526,347**	**P 92,926**	**P 84,809**	**P 7,538**	**P 100,992**