COVER SHEET

A S 0 9 4 - 8 7 5 2

S.E.C. Registration Number

E V E R G O T E S C O R E S O U R C E S &

H O L D I N G S , I N C . & S U B S I D I A R Y

(Company's Full Name)

3 / F M A N I L A R E A L R E S I D E N C E S

1 1 2 9 J . N A T I V I D A D L O P E Z S T .

E R M I T A , M A N I L A

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

ELIZA FRANCIA DE LA TORRE	8254-1111
Contact Person	Company Telephone Number

1 2	3 1	S E C F O R M 1 7 Q	August - Last Friday
Month	*Day*	FORM TYPE	*Month* *Day*
Fiscal Year			Annual Meeting

Secondary License Type, If Applicable

C R M D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

5,577	Php50,000,000	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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 **September 30, 2022.**

2. SEC Identification Number **AS 094-8752** 3. BIR TIN **032-004-817-595**

4. Exact name of issuer as specified in its charter: EVER GOTESCO RESOURCES & HOLDINGS, INC.

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

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

7. **3rd Flr. Manila Real Residences Manila 1129 J. Natividad Lopez St. Ermita Manila 1000**
Address of issuer's principal office Postal Code

8. **8243- 2921**
Issuer's telephone number, including area code

9. Securities issued pursuant to Sections 8 and 12 of the Code, or Section 4 and 8 of the RSA.

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱ 1.00 par value	**5,000,000,000 shares**
	Amount of Debt Outstanding: 1.6 billion

10. Are any or all of these securities listed on the Philippine Stock Exchange? Yes (X) No ( )

If yes, state the name of such Stock Exchange and the classes of securities listed therein: **Philippine Stock Exchange / Common Stock**.

11. Indicate by check whether the issuer:

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

Yes (X) No ( )

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

Yes (X) No ( )

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PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY

UNAUDITED CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2022 & DECEMBER 31, 2021
(In Philippine Peso)

	CONSOLIDATED		PARENT COMPANY	
	SEP 30, 2022	DEC. 31, 2021 *	SEP 30, 2022	DEC. 31, 2021 *
ASSETS				
CURRENT ASSETS				
Cash	5,108,151	2,921,216	1,022,014	1,020,014
Receivables	3,644,006	312,359	188,276	33,566
Other Current assets	615,897	568,203	186,241	138,547
	9,368,054	3,801,778	1,396,531	1,192,127
NONCURRENT ASSETS				
Receivables - noncurrent				
Investment Properties, Net	3,078,875,200	3,078,875,200	2,865,031,900	2,865,031,900
Investments In & Advances To Subsidiary		0	206,227,068	206,227,068
Property And Equipment, Net	18,019	-		-
	3,078,893,219	3,078,875,200	3,071,258,968	3,071,258,968
TOTAL ASSETS	**3,088,261,273**	**3,082,676,978**	**3,072,655,498**	**3,072,451,095**
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank loans	16,250,733	16,250,733	16,250,733	16,250,733
Accounts Payable and other liabilities	549,691,880	546,966,638	348,194,937	346,273,919
TOTAL LIABILITIES	565,942,613	563,217,371	364,445,670	362,524,652
NONCURRENT LIABILITIES				
Payable To Banks - Net Of Current Portion	53,395,267	53,395,267	53,395,267	53,395,267
	53,395,267	53,395,267	53,395,267	53,395,267
TOTAL LIABILITIES	**619,337,880**	**616,612,638**	**417,840,937**	**415,919,919**
STOCKHOLDERS' EQUITY	2,468,923,392	2,466,064,341	2,654,814,563	2,656,531,176
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**3,088,261,273**	**3,082,676,978**	**3,072,655,498**	**3,072,451,095**

* Based on Audited Financial Statements
See accompanying notes to Unaudited Financial Statements

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
For the Nine-Month Period ended September 30,
(In Philippine Peso)

	CONSOLIDATED						PARENT COMPANY					
	Third Quarter Ended September 30			Nine-Month Period Ended September 30			Third Quarter Ended September 30			Nine-Month Period Ended September 30		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
REVENUES	17,597,025	-	-	33,357,051	-	-		-	-		-	-
OPERATING COSTS AND EXPENSES	13,345,435	476,279	699,148	30,464,435	1,608,235	1,824,332	726,690	422,379	572,403	1,683,049	1,553,835	1,697,587
INCOME FROM OPERATIONS	**4,251,590**	**(476,279)**	**(699,148)**	**2,892,616**	**(1,608,235)**	**(1,824,332)**	**(726,690)**	**(422,379)**	**(572,403)**	**(1,683,049)**	**(1,553,835)**	**(1,697,587)**
OTHER INCOME (EXPENSE)-NET												
Accretion of Interest due PAS 32 & 39, net	-	-	-	-	-	-	-	-	-	-	-	-
Other income(Charges)	-	-	-	-	-	-	-	-	-	-	-	-
INCOME BEFORE INCOME TAX	**4,251,590**	**(476,279)**	**(699,148)**	**2,892,616**	**(1,608,235)**	**(1,824,332)**	**(726,690)**	**(422,379)**	**(572,403)**	**(1,683,049)**	**(1,553,835)**	**(1,697,587)**
PROVISION FOR INCOME TAX	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	**4,251,590**	**(476,279)**	**(699,148)**	**2,892,616**	**(1,608,235)**	**(1,824,332)**	**(726,690)**	**(422,379)**	**(572,403)**	**(1,683,049)**	**(1,553,835)**	**(1,697,587)**
RETAINED EARNINGS AT BEGINNING OF PERIOD	(2,535,328,198)	(4,677,096,433)	(4,925,565,075)	(2,533,969,223)	(4,675,964,477)	(4,924,439,891)	(2,344,458,747)	(4,601,663,596)	(4,758,023,764)	(2,343,502,388)	(4,600,532,140)	(4,756,898,580)
RETAINED EARNINGS AT END OF PERIOD	**(2,531,076,608)**	**(4,677,572,712)**	**(4,926,264,223)**	**(2,531,076,608)**	**(4,677,572,712)**	**(4,926,264,223)**	**(2,345,185,437)**	**(4,602,085,975)**	**(4,758,596,167)**	**(2,345,185,437)**	**(4,602,085,975)**	**(4,758,596,167)**
EARNINGS PER SHARE:												
BASIC EARNINGS PER SHARE (A/B)	0.0009	(0.0001)	(0.0001)	0.0006	(0.0003)	(0.0004)	(0.0001)	(0.0001)	(0.0001)	(0.0003)	(0.0003)	(0.0003)
Computation -												
Net Income (Loss) fort the Period (A)	4,251,590	(476,279)	(699,148)	2,892,616	(1,608,235)	(1,824,332)	(726,690)	(422,379)	(572,403)	(1,683,049)	(1,553,835)	(1,697,587)
Weighted Ave. No. of Common Shares Outstanding during the Period (B)	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
DILUTED EARNINGS PER SHARE	*	*	*	*	*	*	*	*	*	*	*	*

* There are no factors that would have dilutive effects on Earnings per Share of the Common Shares, thus, no computation.
See accompanying notes to unaudited financial statements

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In Philippine Peso)

	CONSOLIDATED			PARENT		
	September 30			September 30		
	2022	2021	2020	2022	2021	2020
CAPITAL STOCK	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
RETAINED EARNINGS, BEGINNING	(2,533,969,223)	(4,675,964,477)	(4,924,439,891)	(2,343,502,388)	(4,600,532,140)	(4,756,898,580)
Net Income (Loss) for the period	2,892,616	(1,608,235)	(1,824,332)	(1,683,049)	(1,553,835)	(1,697,587)
RETAINED EARNINGS, ENDING	(2,531,076,608)	(4,677,572,712)	(4,926,264,223)	(2,345,185,437)	(4,602,085,975)	(4,758,596,167)
REMEASUREMENT LOSSES ON RETIREMENT BENEFITS - N	-	-	-	-	-	-
TOTAL STOCKHOLDERS' EQUITY	**2,468,923,392**	**322,427,288**	**73,735,777**	**2,654,814,563**	**397,914,025**	**241,403,833**

see accompanying notes to unaudited financial statements

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For Nine-Month Period ended September 30,

(In Philippine Peso)

	CONSOLIDATED						PARENT COMPANY					
	Third Quarter Ended September 30			Nine-Month Period Ended September 30			Third Quarter Ended September 30			Nine-Month Period Ended September 30		
	2022	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES												
Net Income (Loss)	4,251,590	(476,279)	(699,148)	2,892,616	(1,608,235)	(1,824,332)	(726,690)	(422,379)	(572,403)	(1,683,049)	(1,553,835)	(1,697,587)
Adjustments to reconcile net income to net												
cash provided by operating activities:												
Depreciation and amortization		-	-		-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Accretion Income/Expense - PAS 32 & 39	-	-	-	-	-	-	-	-	-	-	-	-
Changes in operating assets and												
liabilities	(2,244,151)	476,279	504,170	(705,681)	1,608,235	1,629,354	726,690	422,379	518,822	1,685,049	1,553,835	1,644,005
Net cash provided by(used in) operating activities	**2,007,439**	**0**	**(194,978)**	**2,186,935**	**0**	**(194,978)**	**(0)**	**(0)**	**(53,581)**	**2,000**	**(0)**	**(53,582)**
CASH FLOWS FROM INVESTING ACTIVITIES												
Additions to property and equipment	(18,019)	-	-				-	-	-			
Net cash provided by (used in) investing activities	**(18,019)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES												
Proceeds from:												
Capital stock subscription	-	-	-									
Loans	-	-	-	-	-		-	-	-	-	-	-
Payments to Creditor Banks	-	-	-	-	-		-	-	-			
Net cash provided by(used in) financing activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET INCREASE (DECREASE) IN CASH	**1,989,420**	**0**	**(194,978)**	**2,186,935**	**0**	**(194,978)**	**(0)**	**(0)**	**(53,581)**	**2,000**	**(0)**	**(53,582)**
CASH AT BEGINNING OF PERIOD	3,118,730	1,201,283	1,201,283	2,921,216	1,201,283	1,201,283	1,022,014	1,020,014	1,020,014	1,020,014	1,020,014	1,020,014
CASH AT END OF PERIOD	**5,108,151**	**1,201,283**	**1,006,305**	**5,108,151**	**1,201,283**	**1,006,305**	**1,022,014**	**1,020,014**	**966,432**	**1,022,014**	**1,020,014**	**966,432**

see accompanying notes to unaudited financial statements

SCHEDULE A

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY
BALANCE SHEET SCHEDULES
As of September 30, 2022

	CONSOLIDATED	PARENT
CURRENT ASSETS		
Cash on Hand and in Banks	5,108,151	1,022,014
Accounts Receivable - Trade, net (Affiliate)		
Accounts Receivable - Trade, net (Non-Affiliate)	1,631,274	-
Accounts Receivable - Non-Trade, net	2,012,732	188,276
Advances to Affiliates	-	-
Creditable withholding taxes		
Other Current Assets, net	615,897	186,241
	9,368,054	1,396,531

	CONSOLIDATED	PARENT
CURRENT LIABILITIES		
Loans Payable (Pls. refer to Schedule B for details)		
Payable to Banks - current portion	16,250,733	16,250,733
Accrued Interest & financing charges		
Accounts Payable - Trade (Contractors)	491,907,811	290,455,682
Customers Deposit	-	-
Operating Lease Payable	-	-
Provision for Losses	57,784,070	57,739,255
Retentions Payable		
Other Accounts Payable & Accrued Expenses		
	565,942,614	364,445,670

Note:
Other Accounts Payable and Accrued Expenses includes accrual for operating expenses like: utilities, realty taxes and other government payables.

	CONSOLIDATED	PARENT
STOCKHOLDERS' EQUITY		
Capital Stock	5,000,000,000	5,000,000,000
Retained Earnings		
Beginning	(2,533,969,223)	(2,343,502,388)
Net Income for the period	2,892,616	(1,683,049)
Total	(2,531,076,608)	(2,345,185,437)
Remeasurement loss on retirement benefits - net	-	-
	2,468,923,392	2,654,814,563

SCHEDULE B

EVER GOTESCO RESOURCES & HOLDINGS, INC. AND SUBSIDIARY
SCHEDULE OF LOANS PAYABLE
As of September 30, 2022

Date of Loan/ Credit Line Granted	Name of Bank	Type of Loan	Terms	Collateral/ Security	Loan Purpose	Interest Rate	Outstanding Balance
EVER GOTESCO RESOURCES & HOLDINGS, INC. (PARENT CO.)							
December 24, 1998	Land Bank	short term	1 year		add'l. working capital		50,000,000
TOTAL							50,000,000

Summary of Significant Accounting and Financial Reporting Policies

<u>Basis of Preparation</u>
The consolidated financial statements have been prepared on a historical cost basis and are presented in Philippine peso (Peso), which is the Group's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

<u>Statement of Compliance</u>
The financial statements are prepared in accordance with Philippine Financial Reporting Standards (PFRSs). The term PFRSs includes all applicable PFRSs, Philippine Accounting Standards (PAS) and interpretations issued by the Philippine Interpretations Committee and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Philippine Financial Reporting Standards Council (FRSC) and adopted by the Philippine SEC.

<u>Basis of Consolidation</u>
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021.

As of December 31, 2021, 2020 and 2019, the Company's ownership over the foregoing subsidiaries and their respective nature of business are as follows:

	Country of Incorporation	Nature of Business	Percentage of ownership 2021	2020	2019
GTMDI	Philippines	Mall operations	100%	100%	
100% 3-J Development, Inc.*	Philippines	Eco-tourism	100%	–	–
Agriwave Organic, Inc.*	Philippines	Agriculture	100%	–	–

**acquired by the Company effective December 15, 2021.*

Subsidiaries are all entities over which the Company or its subsidiary has control. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins from the date of acquisition, being the date on which control is transferred to the Group and continue to be consolidated until the date that such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the parent company loses control over its subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any noncontrolling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in Other Comprehensive Income (OCI) to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Adjustments, where necessary, are made to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiaries are prepared for the same balance sheet date as the Company.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but are considered as an impairment indicator of the assets transferred.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following new pronouncements starting January 1, 2021. Unless otherwise indicated, the adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

· Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and o There is no substantive change to other terms

and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

The Group adopted the amendment beginning April 1, 2021, which has no impact since the Group has no ongoing lease arrangement.

· Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform - Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Company shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and

- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The Group adopted the amendments beginning January 1, 2021, which has no impact to the Group.

Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs* 2018-2020 Cycle
    - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
    - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
    - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

Effective beginning on or after January 1, 2024

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

Significant Accounting Policies

The significant accounting policies that have been used in the preparation of the consolidated financial statements are summarized below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Financial Instruments

Initial recognition and measurement

A financial instrument is any contract that gives rise to financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVTOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at fair value plus, in the case of a financial asset not at FVTPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group has no financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments), financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) and financial assets at FVTPL.

Financial assets at amortized cost (debt instruments)
This category is most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash, trade receivables and other receivables as of December 31, 2021 and 2020.

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

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

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

Other financial liabilities
Other financial liabilities pertain to financial liabilities that are not held for trading and are not designated at FVTPL upon the inception of the liability. These include liabilities arising from operating (e.g., trade and other payables) and financing (e.g., short and long-term borrowings) activities.

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the term of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting year.

Trade and other payables are recognized in the year in which the related money, goods or services are received or when a legally enforceable claim against the Group is established. These are measured at amortized cost, which is normally equal to the nominal amount.

Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium (or discount) and any directly attributable transaction costs. Classified as other financial liabilities are accounts payable and other current liabilities (excluding statutory payables and deferred income) and bank loans.

Derecognition of financial assets and liabilities
Financial assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or,
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

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

Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal

course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Fair Value Measurement

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at each balance sheet date.

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

Creditable Withholding Tax

Creditable withholding tax represents the amount withheld from income payments and is deducted from income tax payable on the same year the revenue was recognized. Unused creditable withholding taxes can be carried forward to the ensuing years. The balance of creditable withholding tax is reviewed at each balance sheet date to determine if an objective evidence exists that amounts are no longer recoverable and reduced to the amount the Group expects to recover.

Value-added tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated balance sheet. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated balance sheet to the extent of the recoverable amount.

Investment Properties
Investment properties, consisting of parcels of land that are held either to earn rentals or for capital appreciation or both and that are not occupied by the entities in the Group.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in fair value of investment properties are included in profit or loss in the year in which these arise.

The fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's-length transaction. Fair value specifically excludes an estimated price inflated or deflated by special terms or circumstances such as typical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale. The fair value of investment property should reflect market conditions at the end of the reporting year.

Derecognition of an investment property will be triggered by a change in use, by sale or disposal. Gain or loss arising on disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset, and is recognized in profit or loss in the period of derecognition. Transfers are made to investment property when, and only when, there is change in use, evidenced by cessation of owner-occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

Other Comprehensive Income (OCI)
OCI comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRSs. Other comprehensive income pertaining to remeasurements on the Group's defined benefit plans is recognized under "Remeasurement gain (loss) on retirement benefits" account in the consolidated balance sheet. Other items are closed directly to retained earnings (deficit).

Expenses and Other Charges
General and administrative expenses include costs of administering the business, which are recognized as incurred.

Borrowing Costs
Borrowing costs are expensed as incurred.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and carry forward benefits of unused NOLCO and excess of MCIT over RCIT can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax assets to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax relating to items recognized directly in equity is recognized directly in equity and not in profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and the amount of obligation can be reliably estimated.

Contingent liabilities are not recognized in the consolidated financial statements but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Capital Stock

The proceeds from the issuance of ordinary or common shares are presented in equity as capital stock to the extent of the par value of the issued and outstanding shares and any excess of the proceeds over the par value of shares issued, less any incremental costs directly attributable to the issuance, net of tax, is presented in equity as "Additional paid-in capital".

Retained Earnings (Deficit)

Retained Earnings (Deficit) represent the cumulative balance of periodic total comprehensive income or loss, dividend distributions, correction of prior year's errors, effect of changes in accounting policy and other capital adjustments. A "deficit" is not an asset but a deduction from equity.

Basic/Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) for the year by the weighted average number of shares outstanding during the year.

Diluted earnings (loss) per share is calculated by dividing the income (loss) for the year attributable to stockholders by the weighted average number of shares outstanding during the year, excluding treasury shares and adjusted for the effects of all potential dilutive shares, if any.

In determining both the basic and diluted earnings (loss) per share, the effect of stock dividends, if any, is accounted for retroactively.

Segment Information

Until March 31, 2018, the Group was engaged in building shopping malls and leasing out to commercial tenants and considers such as its primary activity and only business segment. In the last half of December 2021, the Group started its agricultural production business. In January 2022, the Group commenced its eco-tourism business operations. Management monitors the operating results of the Group for the purpose of making decisions about resource allocation and performance assessment.

Events After the Balance Sheet Date

Events after the balance sheet date that provide additional information about the Group's financial position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Events after the balance sheet date that are not adjusting events are disclosed when material.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRSs requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements. The judgments, estimates and assumptions are based on management's evaluation of relevant facts and circumstances that are believed to be reasonable at the balance sheet date. Actual results could differ from such estimates used.

Judgments

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

Use of the going concern assumption

The use of the going concern assumption involves management making judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain. The underlying assumption in the preparation of financial statements is that the Group has neither the intention nor the need to liquidate. Management takes into account a whole range of factors which include, but are not limited to the creditors not demanding for payment of the amounts owed to them and the financial support from related parties. As discussed in Note 1, management still prepares the consolidated financial statements on a going concern basis as management has future plans regarding the Group.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Determination of fair value of investment properties

The Group accounts for its investment properties at fair value. The fair value of the investment properties were determined by professional qualified independent appraisers. Investment properties are valued using generally acceptable valuation techniques and methods and estimates based on local market conditions. The fair value was arrived at using the Sales Comparison Approach for land using gathered available market evidence. This considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison and adjustments to sales price which pertain to factors affecting value such size, location, time and shape. Revaluations are made on a regular basis to ensure that the carrying amounts do not differ materially from those which would be determined using fair values at the end of the reporting period. Investment properties amounted to =P3,078.88 million as of December 31, 2021 (nil as of December 31, 2020).

Estimation of allowance for ECL

The Group recognizes ECL in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized for the amount of the receivable not covered by the value of the credit enhancement such as collateral on the receivables.

The Group estimates the allowance for ECL by considering the related parties' financial position and performance and cash flows based on their latest financial statements and credit enhancements. Related party accounts were specifically identified to be doubtful of collection based on the related parties' equity position, ability to generate cash flows and availability of assets to settle their obligations. As of December 31, 2021 and 2020, the allowance for ECL on receivables from related parties amounted to =912.01P million and =P2,810.12 million, respectively (see Notes 4 and 13).

Recognition of deferred income tax assets

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. The Group did not recognize deferred income tax assets on future deductible temporary differences as of December 31, 2021 and 2020.

Provisions and contingencies
The Group provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle the said obligations. An estimate of the provision is based on known information at the balance sheet date, net of any estimated amount that may be reimbursed to the Group. The amount of provision is being reassessed at least on an annual basis to consider new relevant information. Provisions amounted to P=57.78 million and =P29.18 million as of December 31, 2021 and 2020.

4. Receivables

EVER GOTESCO RESOURCES & HOLDINGS, INC. AND SUBSIDIARY COMPANY **SCHEDULE C**
Consolidated Aging Schedule of Accounts Receivable - Trade
As of September 30, 2022

			PAST DUE ACCOUNTS			
	TOTAL	**Current**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**120 Days & Over**
CONSOLIDATED						
Trade Receivable -Affiliate	-	-			-	-
Trade Receivable -Non Affiliate	**1,631,274**	-	**1,318,915**	**312,359**	-	-
TOTAL	**1,631,274**	-	**1,318,915**	**312,359**	-	-
PARENT						
Trade Receivable -Affiliate	-	-	-	-	-	
Trade Receivable -Non Affiliate	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

Note: The Accounts are presented in the Balance Sheet under Current Assets

5. Causes for any material changes *(+/-5% or more)* in the financial statements

The Company has ceased building and operating shopping malls and shifted its direction to venturing in agri- industry and eco- tourism activities and projects. On December 15, 2021, the Group acquired the net assets of Agriwave Organic Inc. and. Everwoods Management and Development Inc. (Formerly 3J Development Corporation) to manage the agri- businesses and eco-agri tourism projects, respectively.

Agriwave Organic Inc. is engaged with production and sales of high- value crops and plants. Everwoods Management and Development Inc. (Formerly 3J Development Corporation) operates resorts that uphold the integration of leisure activities, environmental conservation and ecological tourism. Currently, it operates a resort in Batangas with trade name “Forest Crest Nature Hotel and Resort”.

The major increase/ decrease in the financial statement accounts are due to these new ventures.

<u>Income Statement items</u> – Nine Months 2022 versus Nine Months 2021

₱33.5 Million revenue was generated by the group for the period. ₱32.2 Million of the total revenue is from Everwoods. The tourism industry has faced setbacks due to COVID- 19 Forced Lockdowns. Due to worldwide and national efforts to manage the COVID- 19 Virus, the tourism and leisure are getting back to operations with the implementation of the set preventive measures against spread of COVID- 19 virus.

With this, "Forest Crest Nature Hotel and Resort", operated by Everwoods Management and Development Inc. (Formerly 3J Development Corporation) has officially reopened its facilities for the public on March 1, 2022.

The tourism industry has been gradually recovering since March 2022 which results to increasing revenue for Everwoods Management and Development Inc.

₱1 Million revenue is generated by Agriwave Organic for the period of the current year from sales of crops and orchids. Agriwave is in the process of preparing its agricultural lands and operational team for the new projects to be ventured in by the Company.

1,794% increase in Direct Cost and expenses

Direct costs and expenses increased by 1,794% from ₱1.6 Million in 2021 to ₱30 million in 2022, both for the nine- month period. This material increase is due to the operational expenses of Agriwave Organic Inc. and Everwoods. In addition to the normal operational costs of the two newly- acquired companies, these companies are currently implementing repairs and maintenance for the whole facility to ensure excellent services and to yield quality products.

<u>Balance Sheet items – September 30, 2022 versus End – 2021</u>

The group's significant fluctuation in its balance sheet items during the third quarter of 2022 as compared to balances stated as of the December 31, 2021 are due to 3J Development Corporation and Agriwave Organic Inc.

The 75% increase in Cash and Cash Equivalents resulted from the operations of the newly acquired companies.

The 1067% or Php 3 Million increase in receivables and the 8% increase in Other Current Assets are due to the trade receivables and inventories of the new subsidiaries,

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

Results of Operations for Nine Months of 2022

1. Financial discussion

The major increase/ decrease in the financial statement accounts are due to the new subsidiaries of EGRHI.

For the nine months ending September 30, 2022, the Group posted a Net Income of ₱4 Million primarily due to improving operational performance of Everwoods.

PART II – OTHER INFORMATION

Item 3. 3Q 2022 Developments

A.	**New project or investments in another line of business of corporation**	None
B.	**Performance of the corporation or result / progress of operations**	Please see unaudited consolidated financial statements and management"s discussion on results of operations.
C.	**Declaration of Dividends**	None
D.	**Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements**	None.
E.	**Offering of rights, granting of Stock Options and corresponding plans therefore**	None.
F.	**Acquisition of additional mining claims or other capital assets or patents, formula, real estate**	None.
G.	**Other information, material events or happenings that may have affected or may affect market price of security**	None.
H.	**Transferring of assets, except in normal course of business**	None.

Item 4. Other Notes to 3Q 2022 Operations and Financials

I.	**Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents**	Please see Notes to Financial Statements
J.	**Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period**	None.
K.	**New financing through loans / issuances, repurchases, and repayments of debt and equity securities**	Borrowings and repayments of loans are being undertaken on a number of creditor banks.
L.	**Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period**	None.

M. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition, or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations	None,
N. Changes in contingent liabilities or contingent assets since the last annual balance sheet date	None.
O. Existence of material contingencies and other material events or transactions during the interim period	None.
P. 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	None.
Q. Material commitments for capital expenditures, general purpose and expected sources of funds	None.
R. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales / revenues / income from continuing operations	Uncertainties remain as to whether the country will continue to be affected by regional trends in the coming months. The financial statements do not include any adjustments that might result from these uncertainties. Related effects will be reported in the financial statements, as they become known and estimable.
S. Significant elements of income or loss that did not arise from continuing operations	None.
T. Causes for any material change/s from period to period in one or more line items of the financial statements	Please see Notes to Financial Statements
U. Seasonal aspects that had material effect on the financial condition or results of operations	Not applicable.
V. Disclosures not made under SEC From 17-C	None.

Item 5. Key Performance Indicators

The table below sets forth the comparative key performance indicators of the Company and its majority-owned subsidiaries.

	End-3Q 2022	***End-December 2021***
Current Ratio[1]	0.02:1.00	0.01:1.00
Debt to Assets Ratio[2]	0.20:1.00	0.20:1.00
	September, 2022	***September, 2021***
Net Profit Ratio[3]	9%	0.00%
Return on Equity[4]	0%	0%
Return on Assets[5]	0%	0%

Manner of calculating the above indicators is as follows:

Current Ratio: $\dfrac{\text{Current Assets}}{\text{Current Liabilities}}$

Debt to Assets Ratio: $\dfrac{\text{Total Liabilities}}{\text{Total Assets}}$

Net Profit Ratio: $\dfrac{\text{Net income for the period}}{\text{Net revenues for the period}}$

Return on equity: $\dfrac{\text{Net Income}}{\text{Total Equity}}$

Return on Assets: $\dfrac{\text{Net Income}}{\text{Total Assets}}$

Financial Risk Management Objectives and Policies

The Group‟s principal financial instruments comprise cash and cash equivalents, receivables, due from related parties, bank loans, accounts payable and accrued expenses, due to related parties, lease liability and long-term debt. The main purpose of these financial instruments is to raise finances for the Group‟s operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group‟s financial instruments are liquidity risk, credit risk, and market risk. The Board of Directors reviews and agrees on the policies for managing these risks, as well as approving and authorizing risk limits set by management, summarized as follows:

Liquidity Risk

The group seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. As an inherent part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. To cover its short-term and long-term funding requirements, the Group intends to use internally generated funds and available short-term and long-term credit facilities.

Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates.

Interest Rate Risk

The Group‟s exposure to market risk for changes in interest rates relates primarily to the Group‟s short-term and long-term obligations. In order to effectively manage its interest risk and its financing costs, the Group closely monitors the movements of interest rates, as well as, economic factors affecting the trends of these movements. In certain cases, depending on its assessment of future movements of interest rates, the Group would pre-terminate its debt and obtain a new loan facility which provides for either floating or fixed interest rates. This is intended to minimize its financing costs.

Credit Risk

The Group‟s exposure to credit risk on its receivables relates primarily to the inability of the debtors to pay and fully settle the unpaid balance of receivables owed to the Group. The Group manages its credit risk in accordance with its credit risk policies which requires the evaluation of the creditworthiness of the debtors. The Group‟s exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

Discussion and Analysis of Material Events

Land Bank of the Philippines vs. Ever Gotesco Resources and Holdings, Inc.

On August 10, 1999, Land Bank of the Philippines (LBP) filed a complaint for Collection of Sum of Money with Damages against EGRHI and Jose Go. After hearing, the Regional Trial Court (RTC) issued a Decision on September 11, 2015 directing the defendants to pay LBP ₱50 million with interest, damages and attorney's fees. The case was appealed to the Court of Appeals. While on appeal, the parties reached an amicable settlement. The Compromise Agreement involved an amount of ₱73M subject to 4% rate p.a. payable for 5 years.

This Compromise Agreement was submitted to the Court of Appeals in a joint motion by the parties on April 8, 2022.

Garnishment of Cash and Receivables - Bangko Sental ng Pilipinas (BSP) vs. Orient Commercial Banking Corporation

The Company and its subsidiary company together with other affiliated companies were served a "Notice of Garnishment on Lease/Rental Payments" issued by the Regional Trial Court of Manila Branch 12, last January 27, 2000 in relation to a civil case complaint by the Bangko Sentral ng Pilipinas .

In summary, the BSP filed a case of sum of money against Orient Commercial Banking Corporation (OCBC) and other affiliate corporations of Gotesco. As a provisional remedy, BSP prayed for the granting of a writ of preliminary attachment against OCBC and other companies to which the Board of Directors of OCBC has substantial interest, including EGRHI and GTMDI, which the Court granted. OCBC, EGRHI, GTMDI and other companies filed a Petition for Certiorari with the Court of Appeals which ruled in favor of OCBC and other defendants. BSP filed a Petition before the Supreme Court, but before it could rule on it, the parties entered into a Compromise Agreement which was consequently, approved by the trial Court. Said Compromise Agreement has effectively lifted the writ of preliminary attachment and the whole obligation shall be settled on staggered basis.

BSP filed a motion for execution which was granted by the RTC. EGRHI et. al., filed a Motion for reconsideration but was denied.

EGRHI et. al., elevated the case to the Court of Appeals. An urgent Motion for Inhibition of Justice Villamor was filed by petitioners.

OTHER INFORMATION

No significant events happened which were not disclosed under SEC FORM

SIGNATURES

Pursuant to the requirements of Section 17 of SRC and Section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereto duly authorized, in the City of Manila.

EVER-GOTESCO RESOURCES AND HOLDINGS, INC.
Issuer

ANTONIO L. TIU
President

Date: 11/10/ 2022

EVELYN C. GO
Treasurer

Date: 11/10/ 2022

ELIZA FRANCIA DE LA TORRE
Accounting and Finance Manager

Date: 11/10/ 2022

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ATTY. ELISEO S. CALMA JR.
NOTARY PUBLIC QUEZON CITY
UNTIL DECEMBER 31 - 2022
PTR NO 0963815 01-03-2022 / Q.C
IBP NO. 095280 ROLL NO 50183
MCLE COMP NO VI-0012817
ADM MATTER NO. NP-067