EVER-GOTESCO RESOURCES HOLDINGS, INCORPORATED

NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING OF
EVER-GOTESCO RESOURCES AND HOLDINGS, INC.
December 16, 2021, 03:00 P.M.

Notice is hereby given that the Annual Meeting of the Stockholders of Ever Gotesco Resources and Holdings, Inc., (the "Company") which will be conducted virtually on December 16, 2021 at 3:00 p.m. The said virtual meeting can be accessed at the link provided in the Company's website at http://www.evermalls.com.ph/corporate/

The Agenda of the meeting is as follows:

1. Call to order
2. Proof of notice and due calling of meeting
3. Determination of existence of a quorum;
4. Reading and Approval of the Minutes of the Annual Meeting of the Stockholders held on August 30, 2019;
5. Approval of the Audited Financial Statements of the Company as of 31 December 2019;
6. Approval of the delegation of authority to nominate the new auditor to the Audit Committee;
7. Approval and ratification of all acts of the Board of Directors, standing committees and management since the last annual meeting;
8. Election of the members of the Board of Directors;
9. Appointment of external auditors;
10. Amendment of Articles of Incorporation (Article III-Principal Office)
11. Other matters; and
12. Adjournment.

Minutes of the Regular Meeting of the Stockholders held on August 30, 2019 will be available for examination during office hours at the Office of the Corporate Secretary.

The conduct of this Annual Stockholders' Meeting will be streamed live to stockholders qualified to attend the meeting and stockholders of record as of September 30, 2021 may attend, participate and vote only through proxy, remote communication or in absentia using the above-stated link.

The requirements and procedures on how to participate in this meeting and for voting in absentia are stated in the Information Statement. These are likewise published and made accessible in the same link above.

Stockholders who opt to vote by proxy must submit and address their proxy form to the attention of the Corporate Secretary at 8th Floor, Chatham House Bldg. Valero corner Rufino Sts., Salcedo Village, Makati City or via e-mail at egrhi@evermalls.com.ph not later than 5:00 p.m. on or before December 9, 2021. A sample proxy form may be found in the Company website at http://www.evermalls.com.ph/corporate/.

Any questions for the Board must also be emailed at the address mentioned above on or before December 9, 2021.

Manila, November 15, 2021

EVER-GOTESCO RESOURCES
& HOLDINGS INC

by: Christine P. Base
CHRISTINE P. BASE
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

Information Statement
of
EVER-GOTESCO RESOURCES AND HOLDINGS, INC.
Pursuant to Section 20 of the Securities Regulation Code

1. Check the appropriate box :

   ☐ Preliminary Information Statement

   ☒ Definitive Information Statement

2. Name of Registrant as specified in its charter :
   EVER- GOTESCO RESOURCES AND HOLDINGS, INC.

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

4. SEC Identification Number : **AS094-8752**

5. BIR Tax Identification Code : **032-004-817-595**

6. Address of principal office :
   12/F, Ever Gotesco Corporate Center,
   1958 C. M. Recto Avenue, Manila

7. Registrant's telephone number, including area code : **(02) 735-6901**

8. Date, time and place of the meeting of security holders :
   Date : **December 16, 2021**
   Place : The Annual Stockholders' Meeting will be conducted online and information about said virtual meeting can be accessed at the link provided in the Company's website at http://www.evermalls.com.ph/corporate/
   Time : **03:00 P.M.**

9. Approximate date of which the Information Statement is to be sent or given to security holders : about **November 24, 2021**

10. Securities registered pursuant to Sections 4 and 8 of the RSA :

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Stock P1.00 par value	**5,000,000,000**

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

    Yes ____X____ No ________

    If so, disclose name of the Exchange: **Philippine Stock Exchange – Common Shares**

EVER-GOTESCO RESOURCES AND HOLDINGS, INC.

INFORMATION STATEMENT

WE ARE NOT ASKING FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND US A PROXY

ITEM 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS.

(a) Date of Meeting : December 16, 2021
Time of Meeting : 03:00 P.M.
Place of Meeting : The Annual Stockholders' Meeting will be conducted online and information about said virtual meeting can be accessed at the link provided in the Company's website at http://www.evermalls.com.ph/corporate/

Principal Office : 12th Floor, Ever Gotesco Corporate Center, 1958 C. M. Recto Avenue, Manila, Philippines

(b) Approximate Date on which Copies of the Information Statement are first to be sent or given to security holders shall be on or before **November 24, 2021.**

ITEM 2. DISSENTERS' RIGHT OF APPRAISAL

Any stockholder of Ever Gotesco Resources and Holdings, Inc. and subsidiary may exercise his appraisal right against any proposed corporate action which qualifies as an instance under Section 81 of the Corporation Code and which gives rise to the exercise of such appraisal right pursuant to and in the manner provided in Section 82 of the Corporation Code. In accordance with the agenda of the annual stockholders' meeting as stated in the Notice of Annual Stockholders' Meeting, the company does not reasonably foresee the happening of any instance which may warrant the exercise of the appraisal right by any stockholder during the Annual Stockholders' Meeting.

There are no matters to be taken up in the meeting which will trigger appraisal rights.

ITEM 3. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON.

No director or officer of the Company since the beginning of the last fiscal year, or any nominee for election as director, nor any of their associates, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the meeting, other than election to office.

ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF.

(a) Voting securities entitled to vote at the Annual Meeting:

As of September 30, 2021, there are 5,000,000,000 shares of the Company's common stock outstanding and entitled to vote at the Annual Meeting. One share is equivalent to one vote except in the election of directors where one share is entitled to as many votes as there are directors to be elected.

(b) Record Date

Only holders of the Company's stock of record at the close of business on September 30, 2021 (the "Record Date") acting in person or by proxy on the day of the meeting are entitled to vote at the Annual Meeting to be held on December 16, 2021.

(c) Election of directors and voting rights (Cumulative Voting)

Each stockholder may vote the number of shares of stock outstanding in his own name as of Record Date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he my distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the whole number of directors to be elected. However, no delinquent stock shall be voted. Cumulative voting is allowed for election of members of the Board.

(d) Security Ownership of Certain Record and Beneficial Owners and Management.

The table below shows persons or groups known to the Company as of September 30, 2021 to be directly or indirectly the record or beneficial owner of more than five percent (5%) of the Company's voting securities:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
Common	Consolidated Ventures, Inc Matapang St., Quiapo Manila	Consolidated Ventures, Inc.	Filipino	1,592,000,000	31.84%
Common	PCD Nominee Corp. G/F, Makati Stock Exchange Bldg. 6767 Ayala Ave., Makati City	PCD Nominee Corp.	Filipino	1,290,907,210	25.82 %
Common	Gotesco Properties, Inc. 1958 C. M. Recto Ave., Manila	Gotesco Properties, Inc.	Filipino	1,069,235,000	21.38%

As of September 30, 2021, EVER knows of no one who beneficially owns in excess of 5% of EVER's common stock except as set forth in the table below:

There is no individual record or beneficial owner of more than 5% of the shares of stocks under PCD Nominee Corp. as of September 30, 2021.

Mr. Joel T. Go is natural person who has voting power over shares of Gotesco Properties, Inc. and Consolidated Ventures, Inc. as approved by the Board of Directors.

(e) Equity Ownership of Foreigners

Title of Class	Name, Address of Record Owner	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
Common	PCD Nominee Corp. 37F Enterprise Tower 1 Ayala Avenue Makati City	PCD Nominee Corp.	Foreign	24,317,100	0.49%
Common	Ming Zheng Yuan Rm. 1201 Richtown Tower 1417 Mayhaligue St. Sta. Cruz, Manila	Ming Zheng Yuan	Chinese	8,000,000	0.16%
Common	Ling Wang Bi Suite 1505, State Center Bldg., #333 Juan Luna	Ling Wang Bi	Chinese	7,000,000	0.14%
Common	Qui Yi Man 1234 Quericada St. Sta. Cruz Manila 1003	Qui Yi Man	Chinese	5,300,000	0.11%
Common	Others		Various	5,225,000	0.10%

(2) Security Ownership of Management as of September 30, 2021

The table below shows the securities beneficially owned by all directors, nominees and executive officers of the Company as of September 30, 2021:

Title of Class	Name of Beneficial/Record Owner	Amount/Nature of Beneficial Ownership		Citizenship	% of Ownership
common	Joel T. Go Director	228,672,598	Direct	Filipino	4.57%
common	Jose C. Go Chairman/Director	227,820,000	Direct	Filipino	4.56%
common	Evelyn C. Go Treasurer/Director	2,371,315	Direct	Filipino	0.05%
common	Jonathan T. Go Director	65,000,000	Direct	Filipino	1.30%
common	Lourdes G. Ortiga Director	81	Direct	Filipino	0.00%
common	Christian Grant Yu Tomas Independent Director	1	Direct	Filipino	0.00%
common	Francisco A. Sanchez III Independent Director	1	Direct	Filipino	0.00%
	Christine P. Base Corporate Secretary	None		Filipino	0.00%
	Diana T. Huang AVP Corporate Planning	None		Filipino	0.00%

	Cynthia T. Dizon AVP Comptroller	None	Filipino	
	All executive officers and directors as a group – **<u>All Filipino Citizens</u>**	———————— **523,863,996** =========		——————- **10.48%** =======

Note: No indirect beneficial ownership owned by directors, nominees and officer as of September 30, 2021

Directors and Officers as a group hold a total of 523,863,996 shares, equivalent to approximately 10.48% of the Company's issued and outstanding capital stock.

(e) Voting Trust Holders of 5% or more

No person holds 5% or more of the issued and outstanding shares of stock of the Company under a voting trust or similar agreement

(f) Changes in Control

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

(a) The Board of Directors

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets regularly every quarter, or as often as required, to review and monitor the Company's financial position and operations. Each Board member serves for a term of one year or until his successor is duly elected and qualified.

The following are the members of the Board:

Officer	Name	Age	Nationality
Chairman	Jose C. Go	73	Filipino
Director/President	Joel T. Go	48	Filipino
Director	Evelyn C. Go	66	Filipino
Director	Jonathan T. Go	46	Filipino
Director	Loudes G. Ortiga	64	Filipino
Independent Director	Christian Grant Yu Tomas	42	Filipino
Independent Director	Francisco A Sanchez III	64	Filipino

The following are the brief description of the respective background of the Company Director's and nominees who have been nominated for election, their respective ages and involvement in other businesses for the past five (5) years.

JOSE C. GO, Filipino, was born on June 19, 1948, graduated from the University of Santo Tomas. He is presently the Chairman, President and Chief Executive Officer of the Ever Gotesco Resources and Holdings, Inc. Mr. Go received his extensive business and entrepreneurial training and experience from his early exposure to the various aspects of operations of family-owned corporations. He is also the Chairman, President and Director of Gotesco Land, Inc. (formerly Suricon Resources Corporation).

He hold the position of Chairman and Chief Executive Officer of Gotesco Tyan Ming Development, Inc.. In addition, Mr. Go is the President of Ever Emporium, Inc., Gulod Resort, Inc., GMCC United Development Corp., Ever Plaza, Inc., Ever Center, Inc., Ever Commonwealth Center, Inc., and Nasugbu Resort, Inc. Re-elected Director in December 18, 2008 and a holdover Director since his election up to the present and until his successor shall have elected and qualified.

JOEL T. GO, Filipino, was born on January 25, 1973, is a graduate in Bachelor of Science in Electronics & Communications Engineering from De Lasalle University. He is the first child of the three children of Mr. Jose C. Go. His work experiences are with the family businesses and occupies the following positions in various company under the Ever Gotesco Group of Companies for the last five (5) years, viz : Chairman and President of Ever Plus Meisec Corp.; Ever Plus Superstore, Inc.; Ever Plus Convenience Stores, Inc. He is also President and Director of United Doctors Service Corp.; Majestic Plus Holdings Intl. Inc.; and Eagles Production Intl. Inc. and Director and Treasurer of Evercrest Golf Club Resort, Inc. Re-elected Director in December 18, 2008 and a holdover Director since his election up to the present and until his successor shall have elected and qualified.

EVELYN C. GO, Filipino, was born on December 23, 1954, is a graduate from the Philippine School of Business Administration with a degree in Business Management. Ms. Go started her practical business training at an early age covering various positions and aspects of the Go Tong family business enterprises. She is affiliated with and occupies the following positions in various institution for the last five (5) years, viz : President/Chief Operating Officer of Gotesco Tyan Ming Development, Inc., Executive Vice President of Ever Emporium, Inc., Ever Plaza, Inc. Ever Center, Inc., Ever Commonwealth Center, Inc., Director and/or Treasurer of Gotesco Properties, Inc., Megaheights Realty & Development Corp., Gulod Resort, Inc., Gotesco Land, Inc., (formerly Suricon Resources Corp.),and Nasugbu Resort, Inc. Re- elected Director in December 18, 2008 and a holdover Director since his election up to the present and until his successor shall have elected and qualified.

JONATHAN T. GO, Filipino, was born on October 28, 1974, holds a Bachelor of Science degree in Commerce major in Business Management from De La Salle University. He is the second child of the three children of Mr. Jose C. Go and Elvy T. Go. He is affiliated and occupies the following positions for the last five (5) years, viz : Entrepreneurial executive with more than 9 years of experience in managing marketing, sales, operation, personnel and merchandising for a start up and established retailer locally. He is the youngest member of the board of Directors of ECR composed of 30 industry's CEOs (both retail and manufacturing) and. re-elected Director in October 2011. He is a nominee for director for the forthcoming stockholders meeting.

LOURDES G. ORTIGA, Filipino, was born on September 28, 1957 is a Fine Arts Major in Interior Design graduate from the University of Santo Tomas. She is affiliated and occupies various position under the Ever Gotesco Group of companies for the last five (5) years, viz: Director and Corporate Secretary of Gotesco Tyan Ming Development, Inc.; Gotesco Properties, Inc.; Ever Shoppers, Inc.; Gusset Realty & Development, Corp.; and Revere Realty and Development, Corp. Director of Gotesco Holdings, Inc.; Ever Emporium, Inc.; Ever Plaza, Inc.; Ever Commonwealth Center, Inc.; Ever Center, Inc. and Primeworld Management Services, Inc. Executive Vice President for Marketing Communications Services of the Ever Gotesco Group of Companies. Re-elected Director in

December 18, 2008 and a holdover Director since her election up to the present and until her successor shall have elected and qualified.

ANTONIO L. TIU, Filipino, holds a bachelor degree on Commerce and majored in Business Management from De La Salle University. He also holds a Master degree on Commerce, major in International Finance from UNSW Sydney. He is currently the CEO of AgriNurture, Inc. (ANI), Geenergy Holdings, Inc. (GREEN), Philippine Infradev Holdings Inc. (IRC), The Big Chill Inc., Earthright Holdings Inc. and a Director of Makati City Subway, Inc., Agricultural Bank of the Philippines, Inc., Plentex Ltd., and Yakuru Co. Ltd. He has been awarded with The Outstanding Young Man award on 2011 and as EY Emerging Entrepreneur on 2010.

CHRISTIAN GRANT YU TOMAS, Filipino, Head, Legal Department of Tyche Consulting Ltd. Phil. Regional Operating Headquarters. Previously worked as Legal Counsel of Alphaland Corporation; Executive Assistant on Commission on Elections, Office of Commissioner Larrazabal; and Associate, ZAMORA POBLADOR VASQUEZ & BRETANA LAW OFFICE. He graduated from Ateneo De Manila University of Law with a Degree of Juris Doctor in 2004. He passed the Bar Examination in 2004. He graduated from De La Salle University with a Bachelor of Science Degree in Applied Economics in 1999.

FRANCISCO A. SANCHEZ III, Filipino, born on July 17, 1957. He obtained his Bachelor of Laws from Far Eastern University in 1984, and Bachelor of Arts in Economics in 1980 from the same school. He passed the Philippine Bar Examinations in 1985. He was a former Clerk of Court in Manila Regional Trial Court and later as Director of the Public Attorney's Office in Quezon City and Manila for fourteen (14) years until 2007. At present, he is practicing his profession and holding an office in Quezon City. He was elected as Independent Director during the annual stockholders meeting held on August 30, 2019 as replacement of Atty. Senen D. Baccay who died on January 28, 2019.

Senior Management

CHRISTINE P. BASE, Filipino, a Lawyer is currently a Securities, Corporate and Tax Lawyer at Pacis and Reyes, Attorneys and the Managing Director of Legisforum, She is a Director and the Corporate Secretary of various companies like Anchor Land Holdings Inc., Araneta Properties Inc. and Asiasec Equities Inc. She was an Auditor and a Tax Lawyer at Sycip, Gorres, Velayo & Co. She graduated at Ateneo de Manila University School of Law with a degree of Juris Doctor and passed the Bar Examination in 1997. Ms. Base is also a Certified Public Accountant graduated from De La Salle University with a Bachelor of Science Degree in Commerce Major in Accounting.

CEASAR P. CERTEZA, Assistant Corporate Secretary, graduated from Ateneo de Manila University School of Law with a degree of Juris Doctor in 1995. He also graduated as Magna Cumlaude in Bachelor of Arts – Major in Economics in University of Santo Tomas in 1991. He passed the Philippine Bar Examination in 1995. He is currently the Corporate Legal Counsel in Metropolitan Medical Center. He became lawyer of CRCerteza Law Office in 2007-2011. A partner in Halili Certeza Matibag Law Office 2000-2007. Legal Officer I of NGL Pacific, Ltd., 1998-2000. Associate Lawyer of Sebastian Liganor Galinato and TierraLaw Offices1995-1998. He is a Legal Apprentice in Bautista Picazo Buyco Tan Fider Law Office during summer of 1993-1994. Atty. Certeza is also an Instructor I in University of Santo Tomas- Faculty of Arts and Letters in school year 1991-1998. A member of The Fraternal Order of Utopia and Integrated Bar of the Philippines.

CYNTHIA T. DIZON, AVP-Controller, graduated from Polytechnic University of the Philippines (3- yrs curriculum). She is a Certified Public Accountant and had been connected in various local and multinational companies with diverse industries like Hooven (Comalco) Phil. Inc., Windjammer Cruises, East Asiatic Corporation, Gold Packaging Corp., Richard Hamilton Properties Inc., Century Canning Corporation. Before she joined the company she was the Accounting Head of House of Investments Inc, the holding company of Yuchengco Group of Companies.

Period & Term of Office: Appointed as AVP-Controller effective June, 2012.

Nominations for Director including Independent Directors for 2021-2022

The directors of the Company elected at the Annual Meeting are to hold office for one year and until their respective successors have been elected and qualified.

The following are the nominees to the Board of Directors :

1. JOEL T. GO	–	Chairman
2. ANTONIO L. TIU	–	President
3. EVELYN C. GO	–	Treasurer
4. LOURDES G. ORTIGA	–	
5. CEASAR R. CERTEZA	–	
6. CHRISTIAN GRANT YU TOMAS	–	Independent Director
7. FRANCISCO A. SANCHEZ III	–	Independent Director

The Board has no reason to believe that any of the aforecited nominees will be unwilling or unable to serve if elected as a director.

The members of the Nomination Committee are as follows:

Chairman	-	JOEL T. GO
Member	-	EVELYN C. GO
Member	-	LOURDES G. ORTIGA

For this Annual Meeting, the Committee has screened and evaluated the candidates for nomination as Independent Directors, using the aforementioned guidelines, pertinent provisions of the Corporation's Revised Manual on Corporate Governance and its By-Laws and relevant rules under the SRC and SRC Rules.

The company has adopted the SRC Rule 38 Requirements on Nomination and Election of Independent Directors and compliance therewith has been made.

Guidelines on the Nomination and Election of Independent Directors

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

a. Is not a director or officer of the company or of its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
b. Does not own more than two percent (2%) of the shares of the company and/or its related companies or any its substantial shareholders;
c. Is not related to any director, officer or substantial shareholder of the company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
d. Is not acting as a nominee or representative of any director or substantial shareholder of the company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed Trust or under any contract or arrangement;

(B) FAMILY RELATIONSHIPS

Three (3) Directors are siblings namely, Jose C. Go, Evelyn C. Go and Lourdes G. Ortiga and Joel T. Go and Jonathan T. Go are the sons of Jose C. Go. All other directors and officers have no family relationships in any civil degree either by consanguinity or affinity.

(C) INDEPENDENT DIRECTORS

Messrs. Christian Grant Yu Tomas and Francisco A. Sanchez III are the Company's Independent Directors. They are neither officers nor substantial shareholders of the Company. Pursuant to SEC Memorandum Circular No. 9 dated December 5, 2011, the term limit of the Independent Directors is a maximum of five (5) consecutive years.

(D) SIGNIFICANT EMPLOYEE

No particular individual employee who is not an executive officer can be singularly identified as making in significant contribution to the business, because the strength of the company lies in the cooperative efforts of all officers, staff and employees of the corporation.

(E) DEATH OF A DULY ELECTED DIRECTOR

Not applicable.

(F) ELECTION OF A DIRECTOR

Not applicable.

(G) WARRANTS AND OPTIONS OUTSTANDING

There are no known outstanding warrants or options held by the companies named executive officers, and other officers and directors as a group.

(H) INVOLVEMENT OF DIRECTORS AND OFFICERS IN LEGAL PROCEEDINGS

The Company is not aware and none of the directors and officers or persons nominated to become directors or officers has informed the Company of (a) any bankruptcy petition filed by or against any business of which any of its director or executive officers was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time. (b) any conviction by final judgment of any director or senior executive in a criminal case domestic or foreign or being subject to a pending criminal case domestic or foreign, of any director, executive officer or person nominated to be a director, (c) any director or senior executive being subject to any order, judgment or decree not subsequently reversed suspended or vacated of any court of competent jurisdiction, domestic or foreign permanently or temporarily enjoining barring, suspending or otherwise limiting such directors' or executive officer's involvement in any type of business securities, commodities or banking activities, (d) any executive officer or director found by a domestic or foreign court of competent jurisdiction, the Commission or other foreign body or a domestic or foreign Exchange or other organized trading market or self-regulatory organization to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated, which occurred during the past five (5) years up to the latest date that are material to evaluation.

Except for the proceedings described in Annex "A", to the knowledge and/or information of the Company, the present members of the Board or the executive officers are not, presently, or during the last five years, involved or have been involved in criminal, bankruptcy or insolvency investigations or proceedings.

Other pending legal proceedings involving the Company is described in Annex "A" hereof.

(I) CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS.

In the ordinary course of business, the Group has related party transactions and balances as follows:

	2020			
	Amount/ Volume	**Outstanding Asset (Liability)**	**Terms**	**Condition**
Stockholder				
Advances to	**₱–**	**₱571,738,488**	**Payable on demand; non-interest bearing**	**Unsecured; partially impaired**
Advances from	**–**	**(76,923,077)**	**- do**	
Associated companies				
Rent	**–**	**1,182,879,139**	**Payable on demand; non-interest bearing**	**Unsecured**
Advances to	**1,158,105**	**2,653,403,429**	**- do-**	**Unsecured; partially impaired**
Payable to	**(3,469,100)**	**(474,293,709)**	**- do-**	**Unsecured**

	2019			
	Amount/ Volume	Outstanding Asset (Liability)	Terms	Condition
Stockholder				
Advances to	₱–	₱571,738,488	Payable on demand; non-interest bearing	Unsecured; partially impaired
Advances from	–	(76,923,077)	- do	
Associated companies				
Rent	–	1,182,879,139	Payable on demand; non-interest bearing	Unsecured
Advances to	128,938	2,652,245,325	- do-	Unsecured; partially impaired
Payable to	(6,876,105)	(470,824,608)	- do-	Unsecured

a. The Group granted non-interest bearing advances to entities that are under common control. As of December 31, 2020 and 2019, these advances have no payment terms and are considered payable on demand and to be settled in cash.

b. Movements in and details of the allowance for doubtful accounts relating to receivables from related parties follow:

	2019	2018
Beginning balance	**₱2,829,642,965**	₱2,053,780,677
Addition (Note 14)	–	775,862,288
Reversal	**(20,938,236)**	–
Ending balance	**₱2,829,642,965**	₱2,829,642,965

c. The Group has non-interest bearing payables to entities that are under common control and are to be settled in cash. Payables to related parties, included as part of "Accounts payable and other liabilities" in the consolidated balances sheets amounted to ₱551.22 million and ₱547.75 million as of December 31, 2020 and 2019, respectively (see Note 8 of the 2019 Audited Financial Statements).

d. The Group's remaining related party transactions pertain to the payment of expenses of entities under common control on behalf of the Group from 2018 to 2020.

e. In 2018, the Company transferred its employees and their related retirement benefit liability, property and equipment, and computer software to an affiliate which assumed the mall operations due to the cessation of its mall operations.

f. Pricewide, Inc. (PWI) assumed the liability of Primeworld Management Services, Inc. to the Group amounting to ₱1,443.57 million as of December 31, 2020.As collateral for the debt assumption, PWI executed a real estate mortgage over certain land properties in favor of the Group. The Group engaged a Philippine SEC-registered independent appraiser to estimate the value of the real estate used as the collateral using the Sales Comparison Approach. As at December 31, 2020, the appraised value of the real estate properties used as collateral amounted to ₱2.5 billion. No provision for impairment losses was recognized on the receivable from PWI as of December 31, 2020.

g. The Group's key management personnel, which consists of Board of Directors, did not receive compensation from the Group in 2020, 2019 and 2018.

ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

In accordance with the By-laws, the officers shall receive such remuneration as the Board of Directors may determine. All other officers shall receive such remuneration as the Board of Directors may determine upon recommendation of the President. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise and receiving compensation thereof.

The following table summarizes the names and aggregate compensation paid or accrued during the last three years and to be paid in the ensuing year to the company's highly compensated officers.

Name and Principal Position	Year	Salary (in million)	Bonus	Other Annual Compensation
The Five most highly compensated executive officers: Jose C. Go – Chairman Joel T. Go – President Diana T. Huang – AVP Corporate Planning Cynthia Dizon – AVP Comptroller	2021*	None	None	None
	2020	None	None	None
	2019	None	None	None
All other executive officers and directors as a group Unnamed	2021**	P 360,000.00	- 0 -	None
	2020**	360,000.00	- 0 -	None
	2019**	360,000.00	- 0 -	None

**Estimated compensation of executive officers for the ensuing year.*
*** Honorarium of the Independent Directors*

Compensation of Directors

By resolution of the Board, each director shall receive a per diem allowance of P5,000.00 for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the company during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. For the last three years, the directors didn't draw any salaries or bonuses from the company and there are no accruals for Director's per diem.

Since December 1, 1995 up to the present, the directors (except for the Independent Directors) and some of the Executive officers of EVER didn't receive any per diem nor compensation from the company. These executives (President, Treasurer, and Corporate Secretary) acted their positions at EVER in their concurrent capacities at Gotesco Properties, Inc.

The Independent Directors are given a monthly honorarium of ₱15,000.00 each from 2013 up to March 31, 2021 for every regular and special board meeting actual attended. On April 1, 2021 the honorarium was reduced to ₱8,000.00 each.

The Company and the Executive Officers are not involved in any of the following transactions :

a. standard arrangement and any other material arrangement;
b. employment contract (between the registrant and named executive officers);
c. compensatory plan or arrangement;
d. outstanding warrants or options;
e. adjustments or amendments on the price of stock warrants or options.

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

The accounting firm of Sycip Gorres Velayo & Co. ("SGV") has been the Company's independent public accountant/external auditor for the year 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020. The same accounting firm is being recommended for re- appointment by the stockholders at the Annual Meeting.

Representatives of said firm are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions. SGV has accepted the Company's initiation to stand for re-appointment this year.

Pursuant to SRC Rule 68, Paragraph 3(b) (iv) (Rotation of External Auditors) of the SRC Rules, the Company engaged Mr. Shane Dave D. Tanguin for the examination of the Company's financial statements for the year 2020. Previously, the Company engaged Mr. Kristopher S. Catalan of SGV for the examination of the Company's financial statements from year 2015 to 2019.

Audit and Audit-Related Fees

The aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by SGV was ₱300,000 for the year 2020 and 2019. These fees cover services rendered by the external auditor for audit of the financial statements of the Company and other services in connection with statutory and regulatory filings for calendar years 2020 and 2019.

There was no event in the past five years where SGV and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope of procedure.

The audit findings are presented to its Audit Committee which reviews and makes recommendations to the Board on actions to be taken thereon. The Board passes upon and approves the Audit Committee's recommendations. The engagement of the external auditors was favourably endorsed by the Audit Committee to the Board of Directors and ultimately submitted for approval of the stockholders.

The members of the Audit Committee of the Company are as follows:

1. Christian Grant Yu Tomas - Chairman
2. Joel T. Go - Member
3. Evelyn C. Go - Member

ITEM 8. COMPENSATION PLANS

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

ITEM 9. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

Not Applicable.

ITEM 10. MODIFICATION OR EXCHANGE OF SECURITIES

Not Applicable.

ITEM 11. FINANCIAL AND OTHER INFORMATION

The audited consolidated financial statements of the Company for the period ended December 31, 2020 and the quarterly report ending June 30, 2021 respectively is attached hereto as Annex "B." Management's Discussion and Analysis of Operations is incorporated in the Management Report.

ITEM 12. MERGERS, CONSOLIDATION, ACQUISITION AND SIMILAR MATTERS

Not Applicable.

ITEM 13. ACQUISITION OR DISPOSITION OF PROPERTY

Not Applicable.

ITEM 14. RESTATEMENT OF ACCOUNTS

The Company is not taking any action, which involves the restatement of any of its assets, capital or surplus account.

ITEM 15. ACTIONS WITH RESPECT TO REPORTS AND OTHER PROPOSED ACTION

There is no action to be taken with respect to any report of the Company or of its directors, officers or committees, except the approval of the minutes of the previous annual meetings of its security holders.

The approval of the minutes, Annual Report and audited financial statements for the period ended December 31, 2020, and ratification of all acts, proceedings and resolutions of the Board, the Executive Committee and the acts of the officers and management since the date of the last annual meeting require the affirmative vote of a majority of the votes cast at the Annual Meeting by the stockholders entitled to vote thereon.

The following is the summary of acts of the Board of Directors and Management from the last annual stockholders meeting up to the date of meeting this year:

1. October 7, 2019 – Postponement of ASM
2. January 9, 2020 – IACGR Report
3. April 16, 2021 - Postponement of ASM
4. May 31, 2021 – Approval of Financial Statements as of December 31, 2020 and IACGR Report

ITEM 16. MATTERS NOT REQUIRED TO BE SUBMITTED

Ratification of acts of management and of the Board of Directors referred to in the Notice of the Annual Meeting of Stockholders refers only to acts done in the ordinary course of business and operation of EGRHI, which have been duly disclosed to the SEC and the PSE in accordance with law. Ratification is being sought in the interest of transparency and as a matter of customary practice or procedure undertaken at every annual meeting of EGRHI stockholders.

This pertains to all acts, resolutions, proceedings and approval made by the Board of Directors, Executive Committee and Officers of the Company from the last stockholders' meeting in for the period 2019 and up to the date of meeting October 29, 2021. This includes, among others, those that include day to day operations, administration and management of the corporate affairs such as (a) designation of authorized signatories, (b) renewal of credit facilities, (c) new/additional investments, (d), (e) (f) appointment of new officers.

Copies of the minutes of the stockholders' meeting shall be available for examination during office hours at the Office of the Corporate Secretary.

ITEM 17. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS

Amendment of Article III of the Articles of Incorporation will be presented for approval of stockholders at the meeting as follows:

From: 12/F Ever Gotesco Corporate Center, 1958 C.M. Recto Avenue, Manila
To: 3/F Manila Real Residences, 1129 J. Natividad Lopez St., Ermita, Manila

ITEM 18. OTHER PROPOSED ACTION

The following actions are also proposed to be taken up during the Annual Meeting:

1. Election of directors for 2021-2022; and
2. Appointment of external auditor;

ITEM 19. VOTING PROCEDURE

(a) Matters for Stockholders' Approval

Items requiring the vote of stockholders will be presented for approval of the stockholders at the meeting. If stockholders or proxies of stockholders owning more than two-thirds (2/3) of the outstanding capital stock are present and identified in the meeting, voting shall be by raising of hands or viva voce; otherwise, voting shall be done in writing by secret ballot and counted thereafter. The votes will be validated by its external auditor.

(b) Election of directors

Pursuant to the Corporation Code, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, as of the record date, in his own name in the stock and transfer book of the Company; and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the number of directors to be elected. The formula may be stated as follows :

Number of shares held on record x Seven (7) = Total votes that may be cast.

The external auditor of the Company, Sycip Gorres Velayo & Co. is authorized to count votes on any matter properly brought to the vote of the stockholders, including the election of directors.

During the scheduled annual stockholders' meeting, the following items will be included in the agenda:

1. Call to order
2. Proof of notice and due calling of meeting
3. Determination of existence of a quorum;
4. Reading and Approval of the Minutes of the Annual Meeting of the Stockholders held on August 30, 2019;
5. Approval of the Audited Financial Statements of the Company as of 31 December 2019 and 31 December 2020;
6. Approval and ratification of all acts of the Board of Directors, standing committees and management since the last annual meeting;
7. Election of the members of the Board of Directors;
8. Appointment of external auditors;
9. Amendment of Articles of Incorporation (Article III-Principal Office)
10. Other matters; and
11. Adjournment.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed on the City of Manila on November 15, 2021.

By: CHRISTINE P.BASE
Corporate Secretary

MANAGEMENT REPORT

1. **SEE ATTACHED CONSOLIDATED AUDITED AND INTERIM FINANCIAL STATEMENTS AND THE STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.**

2. **MANAGEMENT DISCUSSION & ANALYSIS OF PLAN OF OPERATIONS**

RESULTS OF OPERATIONS (For the period January-September 2021)

Ever-Gotesco Resources and Holdings, Inc. (EGRHI) and its wholly owned subsidiary had nil consolidated revenues for the period January to September, 2021 and 2020 respectively due to the cessation of the Company's Mall operation since March 31, 2017.

Direct cost and expenses decreased by 12% or ₱0.216 million due to the strict cost cutting measures implemented considering the Company's absence of business operation during the year and the past years.

For the nine months ending September 30, 2021, the Company incurred a Net loss of ₱1.61 Million.

In the near term, the Company plans to focus on businesses which would be resilient even during unforeseen events like the ongoing Covid-19 pandemic. Industries catering to basic necessities such as in agri-business would be prioritized.

Alongside the migration to another business would be the strengthening of its financial position. The Company will explore innovative solutions to improve its assets composition to allow it to move to other industries and generate revenues.

This twin strategy is envisioned to take place in the next twelve (12) months while the cash requirement for this plan is expected to be satisfied within the first six (6) months. An insignificant change in the number of employees is also expected as a result of migration to another business and exploring other innovative solutions.

CHANGES IN FINANCIAL CONDITION

Year 2020 vs. Year 2019

Cause for Material Changes from Period to Period of the Income Statement

The material changes in the company's net income for the 12-month period in 2020 and 2019 is attributed to the other income generated from reversal of provision for probable losses amounting to ₱242.5 million and reversal of allowance for expected credit loss amounting to ₱20.9 million in 2020.

Cause for material Changes from Period to Period of the Balance Sheet

Current Assets

Current Assets consist only of cash amounting to ₱1.2 million in 2020 and 2019 respectively.

Non-Current Assets

Total non-current assets increased by ₱21.5 million or 1% from ₱1.58 billion in 2019 to ₱1.6 billion in 2020 which is mainly attributed to the recovery of allowance for doubtful accounts of receivables.

Current Liabilities

Total current liabilities also decreased by 15% from ₱1.5 billion in 2019 to ₱1.3 billion in 2020 due to reversal of provision for probable losses.

Stockholder's Equity

Total Equity decreased by ₱248.48 million representing the net loss incurred during the year.

Year 2019 vs. Year 2018

Cause for Material Changes from Period to Period of the Income Statement

There was no revenue generated for the first six months of 2019 and 2018 due to the cessation of operation of the mall at Ever Gotesco Commonwealth Center.

Direct costs and expenses decreased by 41% from ₱2.3 million in 2018 to ₱2.1 million in 2019, both for the six months period.

A Net Loss of ₱2.1 Million was posted in 2019 as against ₱2.3 Million in 2018 due to the effect the cessation of operation.

Cause for material Changes from Period to Period of the Balance Sheet

Current Assets

Cash decreased by 2% from ₱1.20 million in 2018 to ₱1.17 million in 2019 due to the absence of revenue yet the need to pay minimal and necessary expenses.

Other current assets increased by 22% from ₱1.51 billion in 2018 to ₱1.52 billion in 2019 mainly due to the increase in input tax on professional services.

Non-Current Assets

Total Non-current assets decreased by 1% from ₱0.84 billion in 2018 to ₱0.83 billion in 2019.

Stockholder's Equity

Total Equity decreased by ₱2.1 million due the amount of loss from January to June 2019.

Year 2018 vs. Year 2017

Cause for Material Changes from Period to Period of the Income Statement

Total consolidated revenues declined by 100% from ₱87.35 million in 2017 to nil in 2018 due to the non-renewal of lease at Ever Gotesco Commonwealth Center on March 31, 2017. The Company then ceased its operation as lessor of the mall.

Direct cost and expenses dropped accordingly by 100% from ₱62.27 million in 2017 to nil in 2018 mainly due to the cessation of operation.

General and Administrative expenses decreased by 79% or ₱27.55 million from ₱34.74 million in 2017 to ₱7.19 million in 2018. In addition, the Company and its subsidiary have recorded provision for doubtful accounts amounting to ₱720.13 million. Interest expense amounted to ₱12 million in 2018 and 2017, respectively.

Loss before income tax amounted to ₱748.74 million and ₱833.48 million in 2018 and 2017, respectively. Net loss was recorded at ₱748.74 million in 2018 and ₱846.11 in 2017.

Cause for material Changes from Period to Period of the Balance Sheet

Current Assets

Cash decreased by 1% from ₱1.21 million in 2017 to ₱1.20 million in 2018 due to lack of main business operation during the year.

Receivables decreased by 50% or ₱1.55 billion due to additional provisions for doubtful accounts for related party receivables which were recorded during the year as well as reclassification of receivables from current to non-current assets.

Other current assets decreased by 92% from ₱5.15 million in 2017 to ₱0.43 million in 2018.

Total Current Assets decreased by 50% or ₱1.55 billion from ₱3.06 billion in 2017 to ₱1.51 billion in 2018 due to decrease in receivables.

Non-Current Assets

Total non-current assets increased by ₱807.35 million from ₱34.57 million in 2017 to ₱841.92 million in 2018 which is mainly attributed to the reclassification of receivables.

Current Liabilities

Total current liabilities on the other hand increased by 1% from ₱1.33 billion in 2017 to ₱1.34 billion in 2018 mainly due to accrual of interest expenses on bank loans.

Stockholder's Equity

Total Equity decreased by 43% due the net loss incurred during 2018.

MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The principal market of the Company's common equity is the Philippine Stock Exchange. Below are the quarterly stock prices for the last three years:

	2021		2020		2019	
Quarter	High	Low	High	Low	High	Low
First	0.1240	0.0810	0.1100	0.0800	0.1470	0.1150
Second	0.7400	0.0950	0.1450	0.0510	0.1300	0.1300
Third	0.5800	0.2650	0.1120	0.0840	0.1320	0.1100
Fourth			0.1020	0.0800	0.1340	0.1030

The last trading date during the year 2020 was on December 29, 2020 of which price per share was at ₱0.085. Volume traded was 1,280,000 for a total value of ₱108,800.00.

Holders

The number of stockholders of record as of September 30, 2021 was 5,582 Common shares outstanding as of the same date totalled 5 billion at ₱1 par value per share. Listed below are the top twenty (20) stockholders as of September 30, 2021:

Name of Stockholder	No. of Shares	%
CONSOLIDATED VENTURES, INC.	1,592,000,000	31.8400%
PCD NOMINEE CORPORATION (FILIPINO)	1,290,907,210	25.8181%
GOTESCO PROPERTIES, INC.	1,069,235,000	21.3847%
JOEL T. GO	228,672,598	4.5735%
JOSE C. GO	227,820,000	4.5564%
GOTESCO INVESTMENTS, INC.	105,000,000	2.1000%
LI CHIH-HUI	100,000,000	2.0000%
PCCI SECURITIES BROKERS CORP.	78,125,000	1.5625%
JOHANN TING GO	65,000,000	1.3000%
JONATHAN TING GO	65,000,000	1.3000%
PCD NOMINEE CORPORATION (FOREIGN)	24,317,100	0.4863%
ERNESTO B. LIM	12,050,000	0.2410%
ZHENG YUAN MING	8,000,000	0.1600%
ANTONIO KAW	7,700,000	0.1540%
WANG BI LING	7,000,000	0.1400%
QUI YI MAN	5,300,000	0.1060%
MENDOZA ALBERTO* &/OR JEANIE C. MENDOZA	2,710,000	0.0542%
ROSALIND O. DY	2,500,000	0.0500%
EVELYN C. GO	2,371,315	0.0474%
PHILIPPINE TA SECURITIES INC.	2,094,000	0.0419%
Others	104,197,777	2.0840%
	5,000,000,000	**100.0000%**

Dividends

Dividend Policy - Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations.

Covenants - Under the syndicated loan agreements signed with their respective lenders, the company and its subsidiary -GTMDI, shall not declare or pay any dividend to their respective stockholders without the written consent of their respective syndicate lenders until the termination of commitments there under and the full payments of debt obligations and other amounts due them.

Declaration of Dividend - The Company and its subsidiary GTMDI, have not declared any dividend since the start of its commercial operation including the current year.

Recent Sales of Unregistered Securities

The company and its subsidiary company did not have any sale of securities which were not registered under the RSA since its operation. Likewise, there were no sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities and new securities resulting from the modification of outstanding securities.

BUSINESS AND GENERAL INFORMATION

Business Development

The Company was registered with the Securities and Exchange Commission (SEC) on September 27, 1994 primarily to purchase, subscribe for, or otherwise acquire or exchange, or otherwise dispose of real and personal property of any kind of description, including shares of stock, and to do every act and thing covered generally by the denomination "holding company". The Company started its commercial operations on December 1, 1995.

The Company owns 100% of the outstanding capital stock of Gotesco Tyan Ming Development, Inc. (GTMDI), owner of the Ever Gotesco Ortigas Complex. GTMDI was registered with the SEC on September 21, 1994, to engage in real estate and related business. GTMDI started its commercial operations on December 1, 1995 and had contributed P121.09 million in 2013 which was 35% of the total revenue, ₱128 million in 2012 or 37%; ₱129 million or 37% in 2011; and ₱133 million or 37% in 2010. All other information related to GTMDI is integrated in the other aspects of this report.

Gotesco Tyan Ming Development, Inc. (GTMDI) took-over ownership and operations of the Mall Cinemas (Ever Gotesco Ortigas Complex) from an Affiliate on August 15, 2003. Cinema receipts contributed to GTMDI operations –P2.23 million in 2013 or 2% of total revenue, ₱2.47 million or 2% in 2012, ₱3.34 million or 3% in its total revenue in 2011 and P3.88 million or 3% in 2010. The decreasing revenue in cinema operations was due to film piracy, internet and cable television connections plus the fact that the cinemas need to be renovated and up-graded.

The Company had two operational malls namely Ever Gotesco Commonwealth Center (EGCC) and Ever Gotesco Manila Plaza (EGMP); and one named Ever Gotesco Ortigas Complex (EGOC) by its subsidiary company. Tenants Lease contracts for EGMP were not renewed in April 1, 2011. The Company did not pursue for more mall construction as it is affected by the general economic crisis. EGOC was foreclosed and sold in public auction to Philippine National Bank in July 1999. The Company failed to redeem the property within the one-year grace period but still is in possession and continues to manage the Mall by virtue of the right of preliminary injunction that was given by the Court on December 20, 2000.

In 2009, the Company and its Subsidiary (GTMDI) entered into a Compromise Agreement (CA) with the Creditor Banks (Philippine National Bank, Development Bank of the Philippines and Security Bank) of its foreclosed properties. The Compromise Agreements put on hold pending Court cases in lieu of the Company and its Subsidiary faithful compliance with the conditions set in the CA's. More details are discussed in Item # 3 and Item # 6 of this report.

The Group is faced with significant risks arising from unresolved legal cases. Prior to June 2015, GTMDI's land, including the commercial complex situated thereon, was foreclosed in 1999 by lender banks following GTMDI's loan default. These banks, however, were not able to take possession of the properties pending the decision on the case by the Regional Trial Court of Pasig (RTC-Pasig).

In June 2015, the lender bank has taken possession of the investment properties in exchange of the extinguishment of its outstanding obligations from the lender banks. This resulted in the improvement of the working capital position and the net asset position as of December 31, 2015. However, the Group remains to have an accumulated deficit amounting to ₱2.3 billion and ₱2.4 billion as of December 31, 2016 and 2015, respectively.

For 2016 and the near term, the Company plans to look at other business opportunities outside of the mall operation as industry competition has become capital-intensive and continue to be dominated by big players. This is not expected to soften with the economic integration of the Asean market this year. Given the existing operational challenges, particularly in the legal aspects and debt servicing, the Company will assess the revenue potentials of other industries such as those in tourism and agricu lture which remained to be promising.

Business of Issuer

The company builds shopping malls and leases out to commercial tenants. The company's malls are primarily leased out to Ever Department Store and Supermarket, Cinemas, banks, amusement centers, food shops, specialty stores, boutiques, drug store, service shops, gym and sporting facilities. The mall has an atrium, state-of-the-art amenities, facilities, security and safety systems.

Revenues of the company and its subsidiary (GTMDI) in 2015 and 2014 are generated principally from its leasing operations and other income are derived from recovery (excess) of reimbursable expenses from tenants, cinema operations, interest and penalties from late payments and service requests of tenants.

The subsidiary (GTMDI) and the parent company (EGRHI) ceased its mall and cinema operations in June 2015 and April 2017, respectively. The company plans to look at other business opportunities outside of the mall operation as industry competition has become capital-intensive and being dominated by few big players, this market environment is not expected to change this year or in the next years. Given the existing operational challenges, particularly in the legal aspects an debt servicing, the Company will still assess other potential industries to venture such as tourism and agriculture which remained to be promising.

Competition

Despite the growing market base, there is stiff competition among the different shopping centers because of the growing sophistication of consumers and continuous construction of shopping malls causing a thinner market spread. The trend is toward a one-stop shopping mall with more modern and complete facilities, and attractions that includes mall shows and entertainment. The Shopping Mall Industry is dominated by SM Malls with other big shopping mall chains such as Robinsons, and Ayala Center. The Company's Ever Gotesco Commonwealth Center Mall is more affected by SM Group, SM-Fairview and SM-San Mateo, Rizal, which covers the class C & D market, compared with other malls such as Robinsons (Big R in Fairview and Robinsons in Commonwealth Avenue); Rustan's (Shopwise in Commonwealth Avenue), Berkley Commercial Center (in Commonwealth Avenue); Royale Arcade (Don Antonio Ave. beside the Ever Commonwealth Mall); and Puregold (in- Commonwealth Avenue and San Mateo, Rizal. Despite the newly built SM Group and Ayala Group , the Commonwealth mall is still very competitive because of its strategic locations and its own existing loyal captive market and regular patrons within the neighboring subdivisions and populace living therein who are proximate to Commonwealth mall especially the C & D market.

Customers

Transactions with and/or dependence on related parties

Ever Commonwealth Center, Inc. and Ever Shoppers, Inc. of the Ever Gotesco Group are the principal tenants in the mall. Rental income from the Ever stores and supermarket amounted to: ₱48.7 million in 2010 and ₱69 million in 2009. During the second quarter of 2010, Management decided to enter into a sub-lease agreement with the management company in order to maximize collections and reduce management supervision cost. As a result, rental income from Ever stores and supermarkets were for the account of the management company starting August 2010. The reduction in rental income in 2010 from 2009 was due to space down-sizing and rental rate reduction. Effective January 1, 2006 and for a period until November 30, 2016 rental contract and rate for the Ever Stores and Supermarket was renewed with an escalation of 5% every two years subject to yearly review. Revised rental rate for the Ever stores and supermarket was necessary in order for them to remain competitive.

Patents, trademarks, licenses, franchises, concessions and royalty agreements.

During the past three years the Company and its subsidiary had no transactions related to the above.

Need for any governmental approval of principal products or services

No principal product or services that the company has introduced needed that governmental approval.

Effects of existing or probable governmental regulations on the business

The fluctuation of power rates per ERB regulations and legislated wage adjustments and the loose grip of the government on the exchange rate or inflation rate will certainly increase the major items of expense - cost of utilities, especially Meralco bills, janitors and messengerials, security and safety; repairs and maintenance and increase on cost of borrowings if the interest rate hiked because of higher inflation rate.

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Amount spent for research and development activities.

During the past three years, the Company and its subsidiary have not spent for research and didn't have development activities except for minor repairs and improvements on the existing malls.

Cost and effects of compliance with environmental laws

EGRHI and its Subsidiary meet all government, environment, health and safety requirements. Tenant spaces are regularly inspected and the Company has not experienced significant governmental, environment, health or safety problems.

Employees

EGRHI and subsidiary company had the following manpower under its payroll, operations of the company's Mall in Commonwealth is managed by a Management Company and all security, janitorial and engineering maintenance requirements of the Malls are thru Contractor/manpower agencies.

	2020	2019	2018
Executive	0	0	0
Manager	0	0	0
Officer	0	0	0
Rank and File	2	2	2
Total	**2**	**2**	**2**
Administrative	0	0	0
Operations	0	0	0
Finance and Accounting	2	2	2
Total	**2**	**2**	**2**

Employees of the company and its subsidiary have not formed nor are they subject to any collective bargaining agreements (CBA). Wage increases are based from the legislated wage orders or based on meritorious work performances.

Additional Requirements as to Certain Issues or Issuers Debt Issues

EGRHI and subsidiary company has been in business since 1995. Total consolidated net worth as of December 31, 2020 amounted to ₱324.04 million. EGRHI does not engage in unsecured bonds or securities.

Description of Property.

The Company has the following properties:

Land holdings of EGRHI and subsidiary as of December 31, 2016 include:

1. A 112,047 sq. m. lot (covered by TCT Nos. 364590, 364591, 364592, 364593, 364594, and 364595) along Provincial Road, Barangay Real, Calamba, Laguna is the site of Ever Gotesco Laguna Plaza. The aforesaid real estate properties together with an assignment of the rentals receivable on the leaseable areas of the proposed mall served as a collateral for the ₱600 million (only ₱500 million was drawn) Syndicated Loan Agreement with a five- year term with the Philippine National Bank, the Security Bank Corporation and the Development Bank of the Philippines on May 28, 1996 for the construction of Ever Gotesco Laguna Plaza. The company had defaulted in its debt obligations with the lender banks in March 1998 which led to the foreclosure and sale through public auction to PNB on November 3, 1998. The Company did not exercise its right to redeem the property within the one-year period. This property has been written-off in 1999 against the loan it secured, resulting in a foreclosure loss of about ₱663.4 million. The company filed a complaint in the Court and was granted the right of Temporary Restraining Order, and subsequently, a Temporary Injunction. In 2009 the Company entered into Compromise Agreements with the Creditor Banks for the re-acquisition of the property and which put on hold the pending Court case. Together with the improvement (at 59.02% completed. The property was appraised at ₱ 1.94 billion on January 16, 2014 by Vitale Valuation Services. In 2016, the property was assigned to Primeworld Management Services, Inc.

2. A 66,390 sq. m. lot located at the district of Caranglaan and Mayombo, Dagupan City, Pangasinan in which Ever Gotesco Dagupan Center will be constructed. The latest appraised value is ₱39.83 million as appraised by Valencia Appraisal Corporation on June 20, 2014. In 2017, this was derecognized since ownership was no longer with the Company.

3. A 17,079 sq. m. lot located in M.H. Del Pilar St., Dagupan City, Pangasinan. This served as a collateral for the assumed mortgage of ₱126 million from Philippine National Bank. The company had defaulted in its debt obligations with the bank in November 1997 that which led to the foreclosure and sale through public auction to PNB on March 15, 1999. The Company did not exercise its right to redeem the property within the one-year period. This property has been written off in 1999, resulting in a foreclosure loss of ₱146 million. The company filed a complaint in Court and was granted by the Court a Writ of Preliminary Injunction.

Commercial Complexes and Improvements:

1. **Ever-Gotesco Commonwealth Center -** The center is located on a 5-hectare lot being leased at the corner of Don Mariano Marcos and Commonwealth Avenues, Old Balara Quezon City. The lease term is for a period of 25 years or up to year 2015 at a monthly rate of ₱525,000, with a 5% annual escalation rate. The structure consists of 5 levels and covers a total floor area of 91,053 sq. m. with parking and common spaces designed to accommodate 30,000 shoppers and promenades. Said property is free from any encumbrances. The building and other improvements including all machineries and equipment in the Mall has a fair market value

of ₱1.20 billion as appraised by Valencia Appraisal Corporation on January 28, 2016. In 2017, this property was derecognized since the ownership was transferred to the lessor as stipulated in the Contact of Lease.

2. **Ever-Gotesco Laguna Plaza** - The mall would be a 5-level complex with a floor area of about 91,000 sq. m. It was envisioned as nucleus of the new mixed subdivision, which will integrate the planned hot spring resort, golf course, theme parks, commercial and residential developments in the area. Construction of this mall is partly financed by a ₱600 million (₱500 million of which has been actually drawn down) syndicated loan with PNB, SBTC and DBP to which rental receivable from this mall together with the improvements and land (as described in land holdings item # 2) are assigned as collateral. Construction of the project has slowed down towards the end of the last quarter of 1997 and eventually stopped in 1998 because of the economic crisis. Please refer to land holdings under item # 2. The cost of improvements together with the land has been written off in 1999. In 2016 said property was assigned to Primeworld Management Services, Inc.

3. **Ever-Gotesco Dagupan Center** - The proposed mall would be a 5-level complex with a floor area of about 91,000 sq.m. Project mobilization and ground works started during the last quarter of 1996 and had formal ground breaking and back-filling activities during the first quarter of 1997. However, the management has decided to defer construction of the project because of internal and external factors that could adversely affect the project. Cost of improvements had amounted to ₱3.5 million. The property was derecognized in 2017.

Properties under lease agreements:

EGRHI has the following lease agreements:

1. Ever Gotesco Commonwealth Center - The lease term is for a period of 25 years or up to year 2017 at a monthly rate of ₱525,000, with a 5% annual escalation rate. Absolute ownership of the Building shall automatically be transferred to the Lessor without the need of any further act on the part of EGRHI after the expiration or termination of the term of the contract of lease. The lease contract expired in March 31, 2017.

   The Company and its subsidiary have no intention of acquiring within the next twelve (12) months additional properties by purchase, lease or otherwise because of financial constraints.

Disclosure on Garnishment of Lease Payments

The Notice of Garnishment on lease rental receivables issued on January 27, 2000 by the RTC of Manila against the parent company, its subsidiary and certain affiliates in relation to a civil complaint by the Banko Sentral ng Pilipinas was served to various tenants. This has substantially impaired collection effort on lease rental receivables and added to the company's cash flow problems. The Garnishment Notice limited the company's collections to tenants' utility dues and other assessments, which were exempted from the Garnishment. Cash Flows from these collections, however, allow the continuity of the mall operations and sustain the company's going concern. The company's counsels filed a Motion to Dismiss on the grounds, among others, that (a) summons were improperly served such that the Court did not acquire jurisdiction over the Company and certain affiliates, and (b) the complaint states no cause of action or if it does so state, it is founded on illegality. The said Motion to Dismiss was consolidated with a Motion to Dissolve the Writ of Preliminary Attachment. In 2003, the Group together with their co-defendants, on the garnishment case, entered into an extra- judicial settlement with the plaintiff. As a result, the RTC lifted the garnishment of lease payments on January 14, 2004 which the RTC returned to the Company. However, as the parties have agreed on the amortization schedule, the BSP filed a motion of execution anchored on the compromise agreement. While the RTC- Manila initially denied such motion, it eventually granted the same via a motion for execution. As a result thereof, Writ of Garnishment was issued.

Foreclosure of Mortgaged Properties

Disclosure on the pull out of Anchor Tenant (Cinema)

The adverse impact of movie piracy has taken its toll on the movie industry. Gotesco Investments, Inc. (GII), a major player in the cinema business and an anchor tenant of the Company, was no exception. GII originally occupied and operated ten (10) cinemas at GTMDI, a wholly owned subsidiary of EGRHI, and nine (9) cinemas at EGRHI, the parent company. Towards the end of 2002, GII closed five (5) out of ten (10) cinemas at GTMDI and expected to consolidate patrons in its five (5) remaining cinemas. However, GII continued to experience a deteriorating traffic of movie- goers and the consequential drop of its ticket revenues. As a result, GII management decided to totally close the five (5) remaining cinemas and three (3) cinemas in 2003 and turned over the same to GTMDI and EGRHI, respectively.

In 2004, GII turned over nine (9) remaining cinemas to EGHRI, the parent company. EGRHI generates an average monthly rental revenue of P1.227 million or P14.727 million annually for the said remaining cinemas. The closure translates to an annual rental revenue loss for EGRHI by P14.7 million or 9% of its total annual revenue generation, and 4.6% to the consolidated rental revenue. Moreover, the Cinemas are considered as one of the major amenities of, and basic to, mall operations. Minus the Cinemas, low customers' traffic may be experienced. To preserve the contributions of the Cinemas to the mall's customers' traffic and to lessen the impact of rental revenue loss, GTMDI management, with the corresponding approval of its Board of Directors, decided to retain and takeover the operation of the five (5) cinemas. Operation of the cinemas generated revenue of ₱2.47 million in 2012; ₱3.34 million in 2011; and ₱3.88 million in 2010. In EGRHI, the parent company, the four (4) cinemas retained and presently being operated by Eagle Production Int'l Films Inc. while the remaining five (5) cinemas were converted to leasable spaces such as amusement, foods and other retail stalls.

FIVE (5) KEY PERFORMANCE INDICATORS

The key operating performance indicators which remain to be the profit and loss determinants, earnings/losses per share and liquidity position of the Company and its wholly owned subsidiary are discussed hereunder.

1. Revenue – The Company had no revenue generated since the expiration of lease contract in 2017.

	FOR THE YEAR (In Million Pesos)		
	2020	**2017**	**2018**
Rental Income	-	-	-
Cinema Ticket Sales	-	-	-
Total	-	-	-

2. Cost Effective Measures - During the year ended 2020, the Company has been able to control and manage costs to the minimum effective levels .

	2020 (In Million Pesos)		
	Mall	**Cinema**	**Total**
Revenues	-	-	-
Direct Cost	-	-	-
General and administrative expenses	(2.20)	-	(2.20)
Interest expense	(12.00)	-	(12.00)
Other income (charges)	262.67	-	267.67
Total	**248.47**	-	**248.47**

	2019 (In Million Pesos)		
	Mall	**Cinema**	**Total**
Revenues	-	-	-
Direct Cost	-	-	-
General and administrative expenses	(782.46)	-	(782.46)
Interest expense	(10.59)	-	(10.59)
Other income (charges)	(142.64)	-	(142.64)
Total	**(935.69)**	-	**(935.69)**

3. Net Operating Profit – The Company's income for the actual mall and cinema operations, computed total revenue less the direct cost & expenses and General & Administrative expenses.

	FOR THE YEAR (In Million Pesos)		
	2020	**2019**	**2018**
Revenue	-	-	-
Income (Loss) from operation	248.47	(935.69)	(748.74)
Percentage	-	-	-

4. Earnings Per Share – Earnings/(Loss) per share for the year 2020 is ₱0.049, (₱0.187) in 2019 and (₱0.150) in 2018. The earnings per share were calculated by dividing the Net Income by the weighted number of shares outstanding. There were no factors that would have dilutive effects on the Earnings per share.

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

	Six Months Ended June 30, 2021	*End-December 2020*	*End-December 2019*
Current Ratio	0.00:1.00	0.00:1.00	0.00:1.00
Debt to Assets Ratio	0.80:1.00	0.80:1.00	0.95:1.00
Net Profit Ratio	-	-	-
Return on Equity	-0.18%	-77.00%	-1,238.01%
Return on Assets	-0.04%	-16.00%	-59.22%

Manner of calculating the above indicators is as follows:

Current Ratio	<u>Current Assets</u> Current Liabilities
Debt to Assets Ratio	<u>Total Liabilities</u> Total Assets
Net Profit Ratio	<u>Net income for the period</u> Net revenues for the period
Return on equity	<u>Net Income</u> Total Equity
Return on Assets	<u>Net Income</u> Total Assets

Other relevant discussions

Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have impact on future operations of the company.

Except as discussed in the foregoing results of operations and financial conditions and the disclosure on the pull-out of Anchor tenant of a wholly owned subsidiary under this item, there is/are no known:

a. event/s that will trigger direct or contingent financial obligations that is/are material to the Company nor is/are there any other obligations in which the company may incur default or the acceleration thereof during the year;
b. material off-balance sheet transaction, arrangements, obligations real or contingent, nor was there any relationship/s of the company with unconsolidated
c. entities, or other persons entered into or created during the year under review.

Discussion on Compliance with Leading Practice on Corporate Governance

Compliance with SEC Memorandum Circular No. 6 dated June 22, 2009 as well as all relevant Philippine Stock Exchange Circulars on Corporate Governance has been monitored.

The Company has already submitted its revised Corporate Governance Manual and complied with the leading practices and principles on good corporate governance.

The Company also complied with the appropriate self-rating assessment and performance evaluation to determine and measure the compliance with the Manual.

Any deviation, if any with the manual on Corporate Governance were properly explained and reasons thereof were properly indicated.

In, addition, the company continuously monitors all relevant PSE and SEC Circulars on Corporate Governance that may be used to improve its Manual for Corporate Governance.

In 2008, the Directors and key officers of the Corporation attended a seminar on Corporate Governance as required under its Manual on Corporate Governance.

UNDERTAKING

The Annual Report on SEC Form 17-A will be available upon written request of the stockholders, the Corporation undertakes to furnish said stockholders with a copy of the report free of charge. Any written request for a copy of the report shall be addressed to the following :

EVER- GOTESCO RESOURCES AND HOLDINGS, INC.
12/F, Ever Gotesco Corporate Center,
1958 C. M. Recto Avenue, Manila

Attention : ATTY. CHRISTINE P. BASE
Corporate Secretary

EVER GOTESCO RESOURCES AND HOLDINGS, INC AND SUBSIDIARY
1958 C.M. Recto Avenue, Quiapo, Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **EVER GOTESCO RESOURCES AND HOLDINGS, INC AND SUBBSIDIARY**, is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the year ended December 31, 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

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

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

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

JOSE C. GO Chairman	JOEL T. GO President
EVELYN C. GO Treasurer	CYNTHIA T. DIZON AVP- Controller

Signed this ____ day of APR 15 2021

SUBSCRIBED AND SWORN TO BEFORE ME THIS APR 15 2021
AT MANILA, PHILIPPINES

DOC. NO. 397
PAGE NO. 60
BOOK NO. IX
SERIES OF 2021

ATTY. JOHN EDWARD TRINIDAD ANG
Notary Public for the City of Manila-Valid 12/31/2021
Notarial Commission No. 2020-033
2F Midland Plaza Hotel, Adriatico St., Ermita, Mla.
IBP. No. 134850/ Dec. 14, 2020 / Pasig City
PTR No. 9821951 / Jan. 4, 2021 at Manila
Roll No. 68731 MCLE Compliance No. VI-0067196-Jan.24,2019

ANNEX "A"

PENDING MATERIAL LEGAL PROCEEDINGS

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

This short-term loan by the Parent Company from LBP which was due for settlement in December 1997 was rolled over for another ninety days or up to March 1998. The loan was not allowed by the lender bank to be renewed thereafter. Initial proposal for its restructuring was not approved by the bank. As a result, the lender bank filed a civil complaint (Civil case No. 99-1454, RTC Makati, Br.56) against the company.

On November 22, 1999, the company lawyers filed their reply and submitted to the Court among others, the ongoing negotiations for the settlement of the obligations such that the complaint is premature, hence, counter-claimed that the plaintiff (Land Bank) be ordered to sit down with the company for the amicable settlement of the case. At the pre-trial set by the Court on November 12,
2000, the Court considered the company's submission that consistent with what the lawyers averred in their answer to the complaint, the company is ready to go into negotiation for the settlement of the case.
The case was archived via an order dated February 9, 2009.

Be as it may the Company continues its negotiations and is optimistic that it can work out a solution that is acceptable to Land Bank of the Philippines.

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

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.

Gotesco Tyan Ming Development, Inc. vs. PNB et al.

GTMDI, a wholly owned subsidiary of EGRHI, had obtained a loan from a syndicate of four local banks led by the Philippine National Bank on April 7, 1995. A 60,000 sq. m. lot with its improvement – the Ever Gotesco Ortigas Complex was used as collateral for the loan. The Company had defaulted in its loan

obligations in January 1998 which led to the foreclosure and sale through public auction to PNB on July 30, 1999. The company was not able to exercise the right to redeem the property within the one-year grace period as provided by law.
The company filed a complaint (Civil Case no. 68139) with RTC Branch 168 in Pasig City seeking the Annulment of Foreclosure Proceedings with prayer for the issuance of Temporary Restraining Order and/or Injunction. Insofar as the provisional remedy is concerned, the Court granted the injunctive relief. The defendants filed a Petition for Review on Certiorari, thus, suspending the proceedings in the lower Court.

On December 21, 2000, the Regional Trial Court of Pasig, Branch 168 issued a Temporary Restraining Order, effectively restraining PNB from consolidating the ownership and taking possession of the said property. Therefore, a Writ of Preliminary Injunction was issued by the Court. Upon denial of PNB's Motion for Reconsideration, PNB elevated the matter to the Court of Appeals via a Petition for Review on Certiorari, which was unfortunately granted by the Court of Appeals whose decision was subsequently upheld by the Supreme Court. Considering the decision of the Supreme Court rendering the issue moot and academic, the proceeding before the Regional Trial Court of Pasig is now in the presentation of plaintiff's evidence.

On June 17, 2009, the GTMDI and PNB under the terms of the compromise agreement, agreed to arrive at a reasonable settlement of the case, subject to the terms and conditions set in their underlying compromise agreement, which was approved by the RTC-Pasig on August 14, 2009.

In June 2015, the lender bank has taken possession of the investment properties in exchange of the extinguishment of its outstanding obligations from the lender banks.

EGRHI vs. PNB and Efren Marcelino Bascos

The company assumed a loan of ₱126 million from Philippine National Bank for the construction of its Ever Gotesco Commonwealth Mall on a parcel of lot located in M.H. Del Pilar St., in Dagupan City, Pangasinan that was used as collateral. The company had defaulted in its loan obligations with the Bank on November 1997 which led to the foreclosure and sale through public auction of the collateral property to PNB on March 15, 1999. The company was not able to exercise the right to redeem the property within the one-year grace period as provided by law. The property has been written off in 1999, resulting in a foreclosure loss of ₱146 million.

The company filed a complaint (Civil Case no. 2000-0355-D) with the Regional Trial Court Branch 40 in Dagupan City seeking the Annulment of Foreclosure Proceedings/Sale of the property. The Court granted the company's application for a temporary restraining order on the said foreclosure, and subsequently, a temporary injunction on January 10, 2001. PNB and other creditors filed a Notice of Appeal and until the present. The Court of Appeals ruled in favor of the Bank. The Company thereafter filed a Petition for Review under rule 45 of the Rules of Court with the Supreme Court. Unfortunately, the Supreme Court denied the Petition for Certiorari. The case is, therefore, remanded to the RTC of Dagupan City. The case was set for further proceedings.

EGRHI vs. PNB, Security Bank, DBP, et. al.

In May 1996, the Parent Company obtained loans from a syndicate of three local banks led by PNB, to partly finance the construction of the Ever Laguna Plaza. The parcel of land that was the site of construction, the improvements thereon and the future rental receivables of the commercial complex when completed serve as the collateral of the loan.

However, the onset of the Asian economic crisis and the downturn of real estate industry took its toll on the Parent Company as it incurred substantial losses that placed severe pressure on the cash flow thereby resulting in the Parent company defaulting on its scheduled payments in 1997 and led to the foreclosure of the aforesaid assets. The Parent Company was given redemption period until November 1999 but this was not exercised by the Parent Company. Accordingly, assets totaling about ₱1.365 billion, consisting of the land and its related improvements, were offset against the loan of ₱500 million with accrued interest resulting in a loss of ₱663.4 million which was recorded in 1999. Parties had entered into a compromise agreement duly approved by the Court.

Development Bank of the Philippine (DBP) was fully paid in January, 2013 while the loan to Security Bank Corporation (SCB) was paid in August,2013. Philippine National Bank (PNB) portion was fully settled in August, 2016.

Morrisson and Foerster v. EGRHI

The former overseas lawyer of EGRHI filed a case for the recovery of attorney's fees. Morrisson and Foerster's services was engaged by EGRHI to represent the interests of the Company in a case against the former franchise owner of Price smart membership club.

A decision was rendered on September 13, 2010, a Motion for Reconsideration was filed by EGRHI while plaintiff filed a Motion for Partial Reconsideration. Both Motions were denied. EGRHI filed a notice of appeal. The case was settled in June 2016.

Toll Regulatory Board v. PNB, et al.

This is a case filed by the Toll Regulatory Board against the defendants for the expropriation of the parcels of land subject matter of in the case of EGRHI v. PNB as mentioned above and this case was referred to the Board of Commissioners. A writ of possession was issued by the trial court. A petition for certiorari was filed by DBP before the court of appeals. The Court of Appeals reversed and set aside the order granting the writ of possession. The trial court ordered the counsel for DBP to furnish all parties copies of the decision and resolution of the Court of Appeals. In the meantime, the trial court does not set a case for hearing.

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

The latest Stockholders' meeting was held on August 30, 2019. In that Stockholders' Meeting, the following were submitted to a vote by the majority Stockholders': (a) Approval of the Minutes of the Annual Stockholders' Meeting held on August 30, 2018, (b) Approval of the Audited Financial Statements of the Company as of December 31, 2018, (c) Confirmation and ratification of all Resolutions, Contracts and Acts of the Board of Directors and Management since the last Annual Meeting, (d) Election of Directors, and (e) Appointment of External Auditors.

FIVE (5) KEY PERFORMANCE INDICATORS

The table below and the profit and loss determinants, earnings/loss per share and liquidity position sets forth the comparative key performance indicators of the Company and its majority- owned subsidiaries.

	Nine Months Ended Sep 30, 2021	*End-December 2020*	*End-December 2019*
Current Ratio	0.00:1.00	0.00:1.00	0.00:1.00
Debt to Assets Ratio	0.80:1.00	0.80:1.00	0.95:1.00
Net Profit Ratio	-	-	-
Return on Equity	-0.15%	-77.00%	-1,238.01%
Return on Assets	-0.03%	-16.00%	-59.22%

Manner of calculating the above indicators is as follows:

Current Ratio	<u>Current Assets</u> Current Liabilities
Debt to Assets Ratio	<u>Total Liabilities</u> Total Assets
Net Profit Ratio	<u>Net income for the period</u> Net revenues for the period
Return on equity	<u>Net Income</u> Total Equity
Return on Assets	<u>Net Income</u> Total Assets

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CHRISTIAN GRANT YU TOMAS**, Filipino, of legal age and a resident of 15A Beaufort Condominium, 5th Avenue, BGC, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am nominee for independent director of Ever– Gotesco Resources and Holdings, Inc. ("EGRHI") and have been its independent director since August 2013.

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

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP
Qian Holdings Ltd., Inc.	Director and Stockholder

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of EGRHI, as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other SEC issuances.

4. To best of my knowledge, I am not related to any director/officer/substantial shareholder of EGRHI and its subsidiaries and affiliates.

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

6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government owned and controlled corporation.

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

8. I shall inform the Corporate Secretary of EGRHI of any changes in the abovementioned information within five days from its occurrence.

Done, this AUG 2 4 2021 day of ________, at MANILA.

CHRISTIAN GRANT YU TOMAS
Affiant

SUBSCRIBED AND SWORN to before me this AUG 2 4 2021 day of ________ at MANILA, Affiant personally appeared before me and exhibited to me his/her ____________________ issued at ____________________ on ____________.

Doc. No. 235;
Page No. 47;
Book No. LIV;
Series of 2021;

ATTY. JOHN EDWARD TRINIDAD ANG
Notary Public for the City of Manila-Valid 12/31/2021
Notarial Commission No. 2020-033
2F Midland Plaza Hotel, Adriatico St., Ermita, Mla.
IBP. No. 134850/ Dec. 14, 2020 / Pasig City
PTR No. 9821951 / Jan. 4, 2021 at Manila
Roll No. 68731 MCLE Compliance No. VI-0067186-Jan.24,2019

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FRANCISCO A. SANCHEZ III**, Filipino, of legal age and a resident of 44 Assets Street, Brgy. Bahay Toro Project 8, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am nominee for independent director of Ever– Gotesco Resources and Holdings, Inc. ("EGRHI")and have been its independent director since August 2019.

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

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Sanchez Law Office	President	2009- Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of EGRHI, as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other SEC issuances.

4. To best of my knowledge, I am not related to any director/officer/substantial shareholder of EGRHI and its subsidiaries and affiliates.

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

6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government owned and controlled corporation.

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

8. I shall inform the Corporate Secretary of EGRHI of any changes in the abovementioned information within five days from its occurrence.

Done, this AUG 2 4 2021 day of ____, at MANILA.

FRANCISCO A. SANCHEZ III
Affiant

SUBSCRIBED AND SWORN to before me this AUG 2 4 2021 day of ____ at MANILA, Affiant personally appeared before me and exhibited to me his Driver's License No. N06-78-030733 issued at QUEZON CITY on 7/28/2017.

Doc. No. 234;
Page No. 47;
Book No. LIV;
Series of 2021;

ATTY. JOHN EDWARD TRINIDAD ANG
Notary Public for the City of Manila-Valid 12/31/2021
Notarial Commission No. 2020-033
2F Midland Plaza Hotel, Adriatico St., Ermita, Mla.
IBP. No. 134850/ Dec. !4, 2020 / Pasig City
PTR No. 9821951 / Jan. 4, 2021 at Manila
Roll No. 68731 MCLE Compliance No. VI-0067186-Jan.24,2019

COVER SHEET

AS094-8752

S.E.C. Registration Number

EVER GOTESCO RESOURCES & HOLDINGS, INC. & SUBSIDIARY

(Company's Full Name)

12 FLR. GOTESCO CORP. CTR. 1958 C. M. RECTO, QUIAPO, MANILA

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

CYNTHIA T. DIZON	735-69-01 LOCAL 366
Contact Person	Company Telephone Number

12 31	SEC FORM 17Q	August - Last Friday
Month *Day*	FORM TYPE	*Month* *Day*
Fiscal Year		Annual Meeting

Secondary License Type, If Applicable

ICTD

Dept. Requiring this Doc.

Amended Articles Number/Section

	Total Amount of Borrowings	
5,582	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, 2021.**

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. **12 Flr. Ever Gotesco Corporate Center 1958 CM. Recto Ave. Quiapo Manila 1001**
Address of issuer's principal office Postal Code

8. **735-6901, 735-0271 loc. 366/248**
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, 2021 & DECEMBER 31, 2020
(In Philippine Peso)

	CONSOLIDATED		PARENT COMPANY	
	SEP 30, 2021	DEC. 31, 2020 *	SEP 30, 2021	DEC. 31, 2020*
ASSETS				
CURRENT ASSETS				
Cash	1,201,283	1,201,283	1,020,014	1,020,014
Other Current assets	126,625	0	120,157	0
	1,327,908	1,201,283	1,140,172	1,020,014
NONCURRENT ASSETS				
Receivables - noncurrent	1,600,718,699	1,600,341,152	1,178,650,187	1,178,272,641
Investments In & Advances To Subsidiary	0	0	204,386,846	204,386,846
	1,600,718,699	1,600,341,152	1,383,037,034	1,382,659,487
TOTAL ASSETS	**1,602,046,607**	**1,601,542,435**	**1,384,177,205**	**1,383,679,501**
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank loans	50,000,000	50,000,000	50,000,000	50,000,000
Accounts Payable and other liabilities	1,229,619,319	1,227,506,912	936,263,180	934,211,642
TOTAL LIABILITIES	1,279,619,319	1,277,506,912	986,263,180	984,211,642
STOCKHOLDERS' EQUITY	322,427,288	324,035,523	397,914,025	399,467,860
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**1,602,046,607**	**1,601,542,435**	**1,384,177,205**	**1,383,679,501**

* 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		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
REVENUES	-	-	-	-	-	-	-	-	-	-	-	-
OPERATING COSTS AND EXPENSES	476,279	699,148	463,442	1,608,235	1,824,332	2,578,328	422,379	572,403	463,442	1,553,835	1,697,587	2,501,818
INCOME FROM OPERATIONS	**(476,279)**	**(699,148)**	**(463,442)**	**(1,608,235)**	**(1,824,332)**	**(2,578,328)**	**(422,379)**	**(572,403)**	**(463,442)**	**(1,553,835)**	**(1,697,587)**	**(2,501,818)**
OTHER INCOME (EXPENSE)-NET												
Accretion of Interest due PAS 32 & 39, net	-	-	-	-	-	-	-	-	-	-	-	-
Other income(Charges)	-	-	-	-	-	-	-	-	-	-	-	-
INCOME BEFORE INCOME TAX	**(476,279)**	**(699,148)**	**(463,442)**	**(1,608,235)**	**(1,824,332)**	**(2,578,328)**	**(422,379)**	**(572,403)**	**(463,442)**	**(1,553,835)**	**(1,697,587)**	**(2,501,818)**
PROVISION FOR INCOME TAX	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	**(476,279)**	**(699,148)**	**(463,442)**	**(1,608,235)**	**(1,824,332)**	**(2,578,328)**	**(422,379)**	**(572,403)**	**(463,442)**	**(1,553,835)**	**(1,697,587)**	**(2,501,818)**
RETAINED EARNINGS AT BEGINNING OF PERIOD	(4,677,096,433)	(4,925,565,075)	(3,990,867,862)	(4,675,964,477)	(4,924,439,891)	(3,988,752,976)	(4,601,663,596)	(4,758,023,764)	(4,147,948,767)	(4,600,532,140)	(4,756,898,580)	(4,145,910,391)
RETAINED EARNINGS AT END OF PERIOD	**(4,677,572,712)**	**(4,926,264,223)**	**(3,991,331,304)**	**(4,677,572,712)**	**(4,926,264,223)**	**(3,991,331,304)**	**(4,602,085,975)**	**(4,758,596,167)**	**(4,148,412,209)**	**(4,602,085,975)**	**(4,758,596,167)**	**(4,148,412,209)**
EARNINGS PER SHARE:												
BASIC EARNINGS PER SHARE (A/B)	(0.0001)	(0.0001)	(0.0001)	(0.0003)	(0.0004)	(0.0005)	(0.0001)	(0.0001)	(0.0001)	(0.0003)	(0.0003)	(0.0005)
Computation -												
Net Income (Loss) fort the Period (A)	(476,279)	(699,148)	(463,442)	(1,608,235)	(1,824,332)	(2,578,328)	(422,379)	(572,403)	(463,442)	(1,553,835)	(1,697,587)	(2,501,818)
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		
	2021	2020	2019	2021	2020	2019
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	(4,675,964,477)	(4,924,439,891)	(3,988,752,976)	(4,600,532,140)	(4,756,898,580)	(4,145,910,391)
Net Income (Loss) for the period	(1,608,235)	(1,824,332)	(2,578,328)	(1,553,835)	(1,697,587)	(2,501,818)
RETAINED EARNINGS, ENDING	(4,677,572,712)	(4,926,264,223)	(3,991,331,304)	(4,602,085,975)	(4,758,596,167)	(4,148,412,209)
REMEASUREMENT LOSSES ON RETIREMENT BENEFI	-	-	-	-	-	-
TOTAL STOCKHOLDERS' EQUITY	**322,427,288**	**73,735,777**	**1,008,668,696**	**397,914,025**	**241,403,833**	**851,587,791**

see accompanying notes to unaudited financial statements

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For Six-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**		
	2021	**2020**	**2019**	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES												
Net Income (Loss)	(476,279)	(699,148)	(463,442)	(1,608,235)	(1,824,332)	(2,578,328)	(422,379)	(572,403)	(463,442)	(1,553,835)	(1,697,587)	(2,501,818)
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	476,279	504,170	462,242	1,608,235	1,629,354	2,549,862	422,379	518,822	462,242	1,553,835	1,644,005	2,473,351
Net cash provided by(used in) operating activities	**0**	**(194,978)**	**(1,200)**	**0**	**(194,978)**	**(28,466)**	**(0)**	**(53,581)**	**(1,200)**	**(0)**	**(53,582)**	**(28,467)**
CASH FLOWS FROM INVESTING ACTIVITIES												
Additions to property and equipment	-	-	-				-	-	-			
Net cash provided by (used in) investing activ	-	-	-	-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES												
Proceeds from:												
Capital stock subscription	-	-										
Loans	-	-		-			-	-	-	-	-	-
Payments to Creditor Banks	-	-	-	-			-	-	-			
Net cash provided by(used in) financing activ	-	-	-	-	-	-	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH	**0**	**(194,978)**	**(1,200)**	**0**	**(194,978)**	**(28,466)**	**(0)**	**(53,581)**	**(1,200)**	**(0)**	**(53,582)**	**(28,467)**
CASH AT BEGINNING OF PERIOD	1,201,283	1,201,283	1,174,016	1,201,283	1,201,283	1,201,283	1,020,014	1,020,014	992,748	1,020,014	1,020,014	1,020,014
CASH AT END OF PERIOD	**1,201,283**	**1,006,305**	**1,172,816**	**1,201,283**	**1,006,305**	**1,172,817**	**1,020,014**	**966,432**	**991,548**	**1,020,014**	**966,432**	**991,547**

see accompanying notes to unaudited financial statements

SCHEDULE A

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY
BALANCE SHEET SCHEDULES
As of September 30, 2021

	CONSOLIDATED	PARENT
CURRENT ASSETS		
Cash on Hand and in Banks	1,201,283	1,020,014
Accounts Receivable - Trade, net (Affiliate)	-	-
Accounts Receivable - Trade, net (Non-Affiliate)	-	-
Accounts Receivable - Non-Trade, net	-	-
Advances to Affiliates	-	-
Other Current Assets, net	126,625	120,157
	1,327,908	1,140,172

CURRENT LIABILITIES

	CONSOLIDATED	PARENT
Loans Payable (Pls. refer to Schedule B for details)	50,000,000	50,000,000
Accrued Interest & financing charges	276,359,856	276,281,456
Accounts Payable - Trade (Contractors)	38,840,520	5,864,713
Customers Deposit	-	-
Operating Lease Payable	-	-
Provision for Losses	29,179,070	28,873,058
Retentions Payable	40,507,222	40,297,158
Other Accounts Payable & Accrued Expenses	844,732,652	584,946,795
	1,279,619,319	986,263,180

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

STOCKHOLDERS' EQUITY

	CONSOLIDATED	PARENT
Capital Stock	5,000,000,000	5,000,000,000
Retained Earnings		
Beginning	(4,675,964,477)	(4,600,532,140)
Net Income for the period	(1,608,235)	(1,553,835)
Total	(4,677,572,712)	(4,602,085,975)
Remeasurement loss on retirement benefits - net	-	-
	322,427,288	397,914,025

SCHEDULE B

EVER GOTESCO RESOURCES & HOLDINGS, INC. AND SUBSIDIARY
SCHEDULE OF LOANS PAYABLE
As of September 30, 2021

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

Basis of Preparation

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.

Statement of Compliance

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.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as of December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020.

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 subsidiary 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

The accounting policies adopted are consistent with those of the previous financial periods. The adoption of the following new and revised Philippine Financial Reporting Standards (PFRS) did not have any material effect on the consolidated financial statements of the Group, unless otherwise indicated. Additional disclosures have been included in the notes to consolidated financial statements, as applicable.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*
- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*
- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
- Conceptual Framework for Financial Reporting issued on March 29, 2018
- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

Standards Issued but Not Yet Adopted

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

Effective beginning or after January 1, 2021

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

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 1, *Classification of Liabilities as Current or Non-current*
- 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, 2020 and 2019.

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 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 as at December 31, 2018.

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.

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. 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.

4. Receivables

EVER GOTESCO RESOURCES & HOLDINGS, INC. AND SUBSIDIARY COMPANY **SCHEDULE C**
Consolidated Aging Schedule of Accounts Receivable - Trade
As of September 30, 2021

			PAST DUE ACCOUNTS			
	TOTAL	Current	31-60 Days	61-90 Days	91-120 Days	120 Days & Over
CONSOLIDATED						
Trade Receivable -Affiliate	1,600,718,699	-	-	-	-	1,600,718,699
Trade Receivable -Non Affiliate	-	-	-	-	-	-
TOTAL	1,600,718,699	-	-	-	-	1,600,718,699
PARENT						
Trade Receivable -Affiliate	1,178,650,187	-	-	-	-	1,178,650,187
Trade Receivable -Non Affiliate	-	-	-	-	-	-
TOTAL	1,178,650,187	-	-	-	-	1,178,650,187

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

Income Statement items – Nine Months 2021 versus Nine Months 2020

The company's operating expenses decreased by 12% or ₱0.216 million due to the strict cost cutting measures implemented considering the Company's absence of business operation during the year and the past years.

Balance Sheet items – September 30, 2021 versus End – 2020

Except for other current assets which increased by ₱0.13 million consisting of input tax on necessary expenses incurred, the company had no other significant fluctuation in its balance sheet items during the third quarter of 2021 as compared to balances stated as of the December 31, 2020 since no significant transactions occurred during the quarter as a result of the Company's non-operation.

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

Results of Operations for Nine Months of 2021

1. Financial discussion

Ever Gotesco Resources and Holdings, Inc. (EGRHI) and its wholly owned subsidiary has nil consolidated revenues for the period January to September 2021 and 2020 respectively due to the cessation of the Company's Mall operation since March 31, 2017.

Direct cost and expenses decreased by 12% as compared to the first nine months of the previous year.

For the nine months ending September 30, 2021, the Company incurred a Net loss of ₱1.61 Million.

PART II – OTHER INFORMATION

Item 3. 3Q 2021 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 2021 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 2021	***End-December 2020***
Current Ratio[1]	0.00:1.00	0.00:1.00
Debt to Assets Ratio[2]	0.80:1.00	0.80:1.00
	September, 2021	***September, 2020***
Net Profit Ratio[3]	0.00%	0.00%
Return on Equity[4]	-0.15%	-2.47%
Return on Assets[5]	-0.03%	-0.04%

Manner of calculating the above indicators is as follows:

Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt to Assets Ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Net Profit Ratio	$\frac{\text{Net income for the period}}{\text{Net revenues for the period}}$
Return on equity	$\frac{\text{Net Income}}{\text{Total Equity}}$
Return on Assets	$\frac{\text{Net Income}}{\text{Total Assets}}$

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

EGRHI, in 2009, recorded the total purchase price amounting to P622.9 million as an addition to land of a certain parcel of land in Calamba, Laguna amounting to P622.9 million, acquired as a result of the compromise agreement with certain banks.

Property and equipment include the property of GTMDI in Pasig City (land and mall), which secure certain loans from a syndicated lender banks led by PNB. The company has defaulted in its loan obligations, which led to the foreclosure and sale through public auction in July 30, 1999. GTMDI is currently in possessio n and in complete control of the properties. It continues to operate the mall and draws rental income there from. However, on June 17, 2009, GTMDI and PNB entered into a compromise agreement which was approved by the Court on August 14, 2009. GTMDI shall pay PNB an amount of P565 million, of which P80 million shall be paid upon the execution of the agreement. The remaining amount payable to PNB shall be settled within seven years at 8% interest per annum. The compromise agreement provides that upon GTMDI"s full payment of the compromise amount and all advances, taxes, fees and expenses, and both

parties" compliance with all their respective obligations under the agreement, each party therefore releases and discharges the other party, their directors, officers, agents and employees from any and all claims arising from PNB"s foreclosure and consolidation of the property subject of MTI.

The adverse impact of movie piracy has taken its toll on the movie industry. Gotesco Investments, Inc. (GII), a major player in the cinema business and an anchor tenant of the Company, was no exception. GII originally occupied and operated ten (10) cinemas at GTMDI, a wholly owned subsidiary of EGRHI, and twelve (12) cinemas at EGRHI, the parent company. Towards the end of 2002, GII closed five (5) out of ten (10) cinemas at GTMDI and expected to consolidate patrons in its five (5) remaining cinemas. However, GII continued to experience a deteriorating traffic of movie-goers and the consequential drop of its ticket revenues. As a result, GII management decided to totally close the five (5) remaining cinemas and three (3) cinemas in 2003 and turned over the same to GTMDI and EGRHI, respectively.

In 2004, GII turned over nine (9) remaining cinemas to EGHRI, the parent company. EGRHI generates an average monthly rental revenue of P1.227 million or P14.727 million annually for the said remaining cinemas. The closure translates to an annual rental revenue loss for EGRHI by P14.7 million or 9% of its total annual revenue generation, and 4.6% to the consolidated rental revenue.

Disclosure on the Garnishment of Lease Rental Receivables

The Notice of Garnishment on lease rental receivables was issued on January 27, 2000 by the RTC of Manila against the parent company, its subsidiary and certain affiliates in relation to a civil complaint by the Banko Sentral ng Pilipinas was served to various tenants. This has substantially impaired collection effort on lease rental receivables and added to the company"s cash flow problems. The Garnishment Notice limited the company"s collections to tenants" utility dues and other assessments, which were exempted from the Garnishment. Cash Flows from these collections, however, allow the continuity of the mall operations and sustain the company"s going concern. The company"s counsels file a Motion to Dismiss on the grounds, among others, that (a) summons were improperly served such that the Court did not acquire jurisdiction over the Company and certain affiliates, and (b) the complaint states no cause of action or if it does so state, it is founded on illegality. The said Motion to Dismiss was consolidated with a Motion to Dissolve the Writ of Preliminary Attachment. In 2003, the Group together with their co-defendants, on the garnishment case, entered into an extra-judicial settlement with the plaintiff. As a result, the RTC lifted the garnishment of lease payments on January 14, 2004 which the RTC returned to the Company. However, as the parties have agreed on the amortization schedule, the BSP filed a motion of execution anchored on the compromise agreement. White the RTC-Manila initially denied such motion, it eventually granted the same via a motion for execution. As a result thereof, Writ of Garnishment was issued.

Foreclosure of Mortgaged Properties

The property of GTMDI in Pasig City (land and mall), which secure certain loans from a syndicated lender banks led by PNB. The company has defaulted in its loan obligations, which led to the foreclosure and sale through public auction in July 30, 1999. GTMDI is currently in possession and in complete control of the properties. It continues to operate the mall and draws rental income there from.

On June 17, 2009, GTMDI and PNB entered into a compromise agreement which was approved by the Court on August 14, 2009. GTMDI shall pay PNB an amount of P565 million, of which P80 million shall be paid upon the execution of the agreement. The remaining amount payable to PNB shall be settled within seven years at 8% interest per annum. The compromise agreement provides that upon GTMDI"s full payment of the compromise amount and all advances, taxes, fees and expenses, and both parties" compliance with all their respective obligations under the agreement, each party therefore releases and discharges the other party, their directors, officers, agents and employees from any and all claims arising from PNB"s foreclosure and consolidation of the property subject of MTI.

Meanwhile, the other creditor banks continue to hold their respective proportionate undivided interest over the subject parcels of land and mall.

EGRHI entered into a compromise agreements with PNB, Security Bank Corporation (SBC) and DBP for the purchase of their 50%, 33.33% and 16.67% respective share in the undivided ownership/interest in the same parcel of land in Calamba, Laguna which gave EGRHI the right to acquire the whole undivided ownership/interest over the subject parcel of land payable in seven year at 8% interest per annum for PNB and five years at 8% interest per annum for SBC and DBP. EGRHI recorded the total purchase price amounting to P622.9 million as an addition to land.

On June 17, 2009, GTMDI and PNB entered into a compromise agreement which was approved by the Court on August 14, 2009. GTMDI shall pay PNB an amount of P565 million, of which P80 million shall be paid upon the execution of the agreement. The remaining amount payable to PNB shall be settled within seven years at 8% interest per annum.

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

JOEL T. GO
President

Date 18 OCT 2021

EVELYN C. GO
Treasurer

Date 15 OCT 2021

CYNTHIA T. DIZON
AVP - Controller

Date 14 OCT 2021

SUBSCRIBED AND SWORN TO BEFORE ME THIS OCT 18 2021 AT MANILA, PHILIPPINES

DOC. NO. 124
PAGE NO. 26
BOOK NO. LVIII
SERIES OF 2021

ATTY. JOHN EDWARD TRINIDAD ANG
Notary Public for the City of Manila-Valid 12/31/2021
Notarial Commission No. 2020-033
2F Midland Plaza Hotel, Adriatico St., Ermita, Mla.
IBP. No. 134850/ Dec. 14, 2020 / Pasig City
PTR No. 9821951 / Jan. 4, 2021 at Manila
Roll No. 68731 MCLE Compliance No. VI-0067186-Jan.24,2019

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

SEC Registration Number

A	S	0	9	4	-	8	7	5	2	

C O M P A N Y   N A M E

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY

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

Ever Gotesco Corporate Center, 1958 Claro M. Recto Avenue, Manila

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

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

Company's Email Address	Company's Telephone Number	Mobile Number
egrhi@evermalls.com.ph	+632 8735 - 6901	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5,616	August 29	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Cynthia T. Dizon	ctdizon@evermalls.com.ph	+632 8735-6901	N/A

CONTACT PERSON's ADDRESS

Manila Real Residences, 1129 Natividad Almeda Lopez Street, Ermita, Manila

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

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

SGV
Building a better working world

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

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

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Ever Gotesco Resources and Holdings, Inc.
Ever Gotesco Corporate Center
1958 Claro M. Recto Avenue, Manila

Opinion

We have audited the consolidated financial statements of Ever Gotesco Resources and Holdings, Inc. (the Company) and its subsidiary (collectively, the Group), which comprise the consolidated balance sheets as at December 31, 2020 and 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements, which indicates that the Group was impleaded to the civil case between the Bangko Sentral ng Pilipinas (BSP) for the collection of its advances to the now defunct Orient Commercial Banking Corporation, an affiliate, where a notice of garnishment of mall lease payments was issued in 2010 against the Group and certain affiliates, officers, and employees. In 2017, the Group ceased its mall operations and is currently without commercial operations. The Group's deficit amounted to ₱4.68 billion and ₱4.92 billion as at December 31, 2020 and 2019, respectively. In addition, its total current liabilities exceeded its total current assets by ₱1.28 billion and ₱1.50 billion as of December 31, 2020 and 2019, respectively. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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

Impairment Testing of Receivables from Related Parties

As of December 31, 2020, the carrying value of receivables from related parties amounted to ₱1.60 billion, net of allowance for ECL of ₱2.81 billion, representing 99% of the consolidated total assets and is material to our audit. These related party receivables are considered in default and credit-impaired. The Group's assessment of the impairment of receivables from related parties is significant to our audit as it involves the exercise of significant management judgment and estimation. Key areas of judgment include determining the timing and amount of expected net recoveries from defaulted accounts.

Refer to Notes 2 and 3 to the consolidated financial statements for the relevant accounting policies and discussion of significant judgments and to Notes 4 and 12 for the detailed disclosures on related party receivables.

Audit response

We obtained management's assessment in determining whether additional provision for impairment losses is necessary on the remaining net receivables from related parties. We evaluated the realizable amount used in the measurement of allowance for impairment losses, including credit enhancement arising from the collateral on the receivables from related parties. We reviewed the real estate mortgage agreement and the appraisal report supporting the collateral on the receivables. We evaluated the competence, capabilities and qualifications of the external appraiser by considering their qualifications, experience and reporting responsibilities. We compared the market value of the comparable properties against the published zonal values of the real estate properties. In addition, we reviewed the adequacy of the disclosures in the financial statements.

Provisions and Contingencies

As discussed in Notes 1 and 8 to the consolidated financial statements, the Group is involved in certain legal, contractual and regulatory proceedings and other possible claims. This matter is significant to our audit because the determination of whether any provision should be recognized and the estimation of the potential liability resulting from these claims requires significant judgment by management. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and implementation of laws and regulations. As of December 31, 2020, total provisions recognized by the Group amounted to ₱29.18 million.

The disclosures on management's judgment on assessment of contingent liabilities and estimation of provisions and amounts recognized are respectively included in Notes 3 and 8 to the consolidated financial statements.

Audit response

We inquired with management the status of the claims and obtained opinions of the external legal counsel. We involved our internal specialist in the evaluation of management's assessment on whether any provision for these contingencies should be recognized, and the estimation of such amount. We evaluated the position of the Group by considering the relevant laws, rulings and jurisprudence.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Philippine Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Shane Dave D. Tanguin.

SYCIP GORRES VELAYO & CO.

Shane Dave D. Tanguin
Partner
CPA Certificate No. 0115818
SEC Accreditation No. 1732-A (Group A),
January 8, 2019, valid until January 7, 2022
Tax Identification No. 242-153-393
BIR Accreditation No. 08-001998-139-2018,
December 17, 2018, valid until December 16, 2021
PTR No. 8534371, January 4, 2021, Makati City

June 16, 2021

EVER GOTESCO RESOURCES AND HOLDINGS, INC AND SUBSIDIARY
1958 C.M. Recto Avenue, Quiapo, Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **EVER GOTESCO RESOURCES AND HOLDINGS, INC AND SUBBSIDIARY**, is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the year ended December 31, 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

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

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

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

JOSE C. GO
Chairman

JOEL T. GO
President

EVELYN C. GO
Treasurer

CYNTHIA T. DIZON
AVP- Controller

Signed this ____ day of APR 15 2021

SUBSCRIBED AND SWORN TO BEFORE ME THIS APR 15 2021
AT MANILA, PHILIPPINES

DOC. NO. 297
PAGE NO. 60
BOOK NO. IX
SERIES OF 2021

ATTY. JOHN EDWARD TRINIDAD ANG
Notary Public for the City of Manila-Valid 12/31/2021
Notarial Commission No. 2020-033
2F Midland Plaza Hotel, Adriatico St., Ermita, Mla.
IBP. No. 134850/ Dec. !4, 2020 / Pasig City
PTR No. 9821951 / Jan. 4, 2021 at Manila
Roll No. 68731 MCLE Compliance No. VI-0067186-Jan.24,2019

EVER GOTESCO RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	December 31	
	2020	2019
ASSETS		
Current Assets		
Cash	**₱1,201,283**	₱1,201,283
Receivables - current (Notes 1 and 4)	**–**	–
Other current assets	**–**	–
Total Current Assets	**1,201,283**	1,201,283
Noncurrent Assets		
Receivables - noncurrent (Notes 1 and 4)	**1,600,341,152**	1,578,244,811
Creditable withholding taxes (Note 5)	**–**	–
Other noncurrent assets (Note 6)	**–**	588,674
Total Noncurrent Assets	**1,600,341,152**	1,578,833,485
TOTAL ASSETS	**₱1,601,542,435**	₱1,580,034,768
LIABILITIES AND EQUITY		
Current Liabilities		
Bank loan (Notes 1 and 7)	**₱50,000,000**	₱50,000,000
Accounts payable and other current liabilities (Notes 7, 8 and 12)	**1,227,506,913**	1,454,474,659
Total Current Liabilities	**1,277,506,913**	1,504,474,659
Equity		
Capital stock - ₱1 par value (Note 14)		
Authorized and issued - 5,000,000,000 shares (held by 5,616 and 5,629 equity holders in 2020 and 2019, respectively)	**5,000,000,000**	5,000,000,000
Deficit	**(4,675,964,477)**	(4,924,439,891)
Total Equity	**324,035,523**	75,560,109
TOTAL LIABILITIES AND EQUITY	**₱1,601,542,435**	₱1,580,034,768

See accompanying Notes to Consolidated Financial Statements.

EVER GOTESCO RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2020	2019	2018
EXPENSES AND OTHER CHARGES			
General and administrative expenses (Note 9)	**(₱2,199,234)**	(₱782,456,622)	(₱727,318,829)
Interest expense (Note 7)	**(12,000,000)**	(10,588,535)	(12,000,000)
Other income (charges) - net (Note 10)	**262,674,648**	(142,641,758)	(9,423,851)
INCOME (LOSS) BEFORE INCOME TAX	**248,475,414**	(935,686,915)	(748,742,680)
PROVISION FOR INCOME TAX (Note 11)			
Current	–	–	–
Deferred	–	–	–
	–	–	–
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	**₱248,475,414**	(₱935,686,915)	(₱748,742,680)
Basic / Diluted Earnings (Loss) Per Share (Note 13)	**₱0.050**	(₱0.187)	(₱0.150)

See accompanying Notes to Consolidated Financial Statements.

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

	Capital Stock (Note 14)	**Deficit** (Notes 2 and 15)	**Total**
BALANCES AT DECEMBER 31, 2017	**₱5,000,000,000**	**(₱3,240,010,296)**	**₱1,759,989,704**
Net loss / total comprehensive loss	–	(748,742,680)	(748,742,680)
BALANCES AT DECEMBER 31, 2018	**5,000,000,000**	**(3,988,752,976)**	**1,011,247,024**
Net loss / total comprehensive loss	–	(935,686,915)	(935,686,915)
BALANCES AT DECEMBER 31, 2019	**5,000,000,000**	**(4,924,439,891)**	**75,560,109**
Net income / total comprehensive income	–	248,475,414	248,475,4134
BALANCES AT DECEMBER 31, 2020	**₱5,000,000,000**	**(₱4,675,964,477)**	**₱324,035,523**

See accompanying Notes to Consolidated Financial Statements.

EVER GOTESCO RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	**₱248,475,414**	(₱935,686,915)	(₱748,742,680)
Adjustments for:			
Interest expense (Notes 7 and 8)	**12,000,000**	10,588,535	12,000,000
Provision for (reversal of provision for) probable losses (Notes 8 and 10)	**(242,470,830)**	142,641,758	1,531,044
Provision for (reversal of) allowance for expected credit losses (Note 4)	**(20,938,236)**	775,862,288	720,124,110
Loss on write-off of various assets (Note 10)	**734,418**	–	11,879,253
Operating income (loss) before working capital changes	**(2,199,234)**	(6,594,334)	(3,208,273)
Decrease (increase) in:			
Receivables	**(1,158,105)**	(128,937)	(21,601,414)
Other current assets	**–**	427,534	15,442,890
Utilities deposits, garnished collections and advances to contractors	**–**	–	11,961,902
Other noncurrent assets (Note 6)	**(145,744)**	(588,674)	–
Increase (decrease) in accounts payable and other current liabilities	**3,503,083**	6,884,411	(2,605,196)
Cash generated used in operations	**–**	–	(10,091)
Income taxes paid, including creditable taxes withheld and final taxes	**–**	–	–
Net cash used in operating activities	**–**	–	(10,091)
CASH AT BEGINNING OF YEAR	**1,201,283**	1,201,283	1,211,374
CASH AT END OF YEAR	**₱1,201,283**	₱1,201,283	₱1,201,283

See accompanying Notes to Consolidated Financial Statements.

EVER GOTESCO RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information, Authorization for Issue of the Consolidated Financial Statements, and Status of Operations

Corporate Information

Ever Gotesco Resources and Holdings, Inc. (the Company) and its wholly owned subsidiary, Gotesco Tyan Ming Development, Inc. (GTMDI), (together referred to hereafter as the "Group") were incorporated in the Philippines primarily to engage in the business of building shopping malls and leasing out to commercial tenants. The Company and GTMDI were registered in the Philippine Securities and Exchange Commission (SEC) on September 27, 1994 and September 21, 1994, respectively.

The registered office address of the Company is Ever Gotesco Corporate Center, 1958 Claro M. Recto Avenue, Manila, while GTMDI's registered office address is Ever Gotesco Ortigas Complex, Ortigas Avenue, Pasig City.

Authorization for Issue of the Consolidated Financial Statements

The consolidated financial statements of the Group as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 were authorized for issue in accordance with a resolution of the Board of Directors (BOD) on June 16, 2021.

Status of Operations

In 2000, the Group was impleaded to the civil case between the Bangko Sentral ng Pilipinas (BSP), as plaintiff, and the now defunct Orient Commercial Banking Corporation (Orient Bank) and some of its officers and employees, as defendants. In 2003, the parties to the civil case entered into a compromise agreement, which was approved by the Regional Trial Court of Manila (RTC-Manila). Under the terms of the compromise agreement, the rentals and all other income and revenue of the malls, which include those of the companies that are owned and operated by the defendants, shall continue to guarantee the stipulated amortizations due from the defendants. The Group along with the other defendants submitted an amortization schedule to BSP which the latter rejected. BSP sought to impose upon the defendants its own amortization schedule which the Group believes is way beyond the defendants' financial capacity. Despite several entreaties to come up with a compromise amortization schedule, no agreement has been reached. Thus, a deadlock in the negotiation ensued. RTC-Manila issued a Writ of Garnishment on lease rental receivables to the defendants.

In July 2010, a Notice of Garnishment on lease rental receivables was issued by the RTC-Manila against the Company, its subsidiary, officers, employees and certain affiliates. The Notice of Garnishment directed the various tenants that all lease payments to the defendants or funds in the possession of various mall tenants payable to the defendants are henceforth considered in the Custody of the Court and the various mall tenants should not deliver, pay or transfer, or otherwise dispose or encumber such rental or lease payments to the defendants or to any other person except to the Ex-Officio Sheriff of Manila or his/her Deputy under penalty of the law.

The Company and its subsidiary, along with the other defendants assailed the Order of RTC-Manila granting the Writ of Execution before the Court of Appeals via a Petition for Certiorari. After the submission of the pertinent pleadings by the parties, the petition was submitted for resolution which is still pending as of June 16, 2021.

The Notice of Garnishment impaired collection effort on lease rental receivables and added to the Company's and its subsidiary's cash flow problems. The Garnishment Notice exempted the Company's and its subsidiary's collections of tenants' utility dues and other assessments.

Collections on lease receivables under the custody of the Court classified as "Other noncurrent assets" in the consolidated balance sheets amounted to ₱42.88 million which were fully provided with allowance as of December 31, 2020 and 2019, respectively (see Note 6).

The Company was the previous owner and mall operator of Ever Gotesco Commonwealth Center (EGCC), a commercial complex. On March 31, 2018, the absolute ownership of EGCC was transferred to the lessor of the land where the said commercial complex of the Company is located without the need of any further act on the part of the Company after the expiration of the lease contract. Moreover, the lease agreement between the Company and the lessor of the land where the EGCC was located expired on March 31, 2018. Because of the transfer of ownership of EGCC on expiration of the lease agreement, the Company ceased its mall operations, resulting to transfer of its administrative function and employees to another affiliate (see Note 12).

GTMDI ceased its mall and cinema operations in June 2015.

The Group's deficit amounted to ₱4.68 billion and ₱4.92 billion as of December 31, 2020 and 2019, respectively. In addition, the Group's current liabilities exceeded its current assets by ₱1,276.31 million and ₱1,503.27 million as of December 31, 2020 and 2019, respectively.

These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realize its assets and discharge its liabilities in the normal course of business. To address these uncertainties, the major stockholders and a certain related party undertake and confirm that it will continue to provide and maintain financial support and assistance as may be needed to continue the business activities of the Group. In the near term, the Group plans to focus on businesses which would be resilient even during unforeseen events like the ongoing Corona Virus Disease 2019 (COVID-19) pandemic. Industries catering to basic necessities such as agri-business would be prioritized. Joint ventures would be explored. Alongside the shift in the nature of the business would be the strengthening of its balance sheet. The Group will explore innovative solutions to improve its assets composition to allow it to move to other industries and generate revenues. This twin strategy is envisioned to start before the end of the year and should result in steady income by the second semester of 2022 and beyond. Management is intent in turning around the Group to improve the shareholders' value.

With the volatility in the global setting, the Group shall likewise be in the lookout for other opportunities that will ride with the upswing in demand once the country goes back to the pre-pandemic economic growth trajectory.

The past several years had been uncertain for the Group when it was impleaded to the civil case between BSP and Orient Bank. There have been efforts to settle the same but the progression has been tied to the actions of the principal parties involved, something that is beyond the control of the Group. The Group plans to take a proactive approach in finding a solution to this legal matter by first semester of 2021.

The consolidated financial statements have been prepared assuming that the Group will continue as a going concern. The Group's continuing financial difficulties and the uncertainties over the ultimate outcome of the legal cases involving the Group indicate a material uncertainty on the Group's ability to continue operating as a going concern and therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. The outcome of these uncertainties cannot be determined at the present time. The effects of these uncertainties will be reported in the consolidated financial statements as they become known and estimable.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation
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.

Statement of Compliance
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.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiary as of December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020.

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 subsidiary 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.

<u>Changes in Accounting Policies</u>
The accounting policies adopted are consistent with those of the previous financial periods. The adoption of the following new and revised Philippine Financial Reporting Standards (PFRS) did not have any material effect on the consolidated financial statements of the Group, unless otherwise indicated. Additional disclosures have been included in the notes to consolidated financial statements, as applicable.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*
- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*
- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
- Conceptual Framework for Financial Reporting issued on March 29, 2018
- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

<u>Standards Issued but Not Yet Adopted</u>
The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2021. Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

Effective beginning or after January 1, 2021

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

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

<u>Significant Accounting Policies</u>
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.

<u>Financial Instruments</u>
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, 2020 and 2019.

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.

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. 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.

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, 2020 and 2019, the allowance for ECL on receivables from related parties amounted to ₱2.81 billion and 2.83 billion, respectively (see Notes 4 and 12).

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, 2020 and 2019 (see Note 11).

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 ₱29.18 million and ₱271.65 million as of December 31, 2020 and 2019 (see Note 8).

4. Receivables

	2020	2019
Trade receivable from related parties (Note 12)	**₱1,182,879,139**	₱1,182,879,139
Others:		
Related parties (Note 12)	**3,225,141,917**	3,223,983,812
Third parties	**2,442,185**	2,442,185
	4,410,463,241	4,409,305,136
Less allowance for expected credit losses	**2,810,122,089**	2,831,060,325
	₱1,600,341,152	₱1,578,244,811

Current	**₱–**	₱–
Noncurrent	**1,600,341,152**	1,578,244,811
	₱1,600,341,152	₱1,578,244,811

Receivables are non-interest bearing and are payable upon demand.

Movements in and details of the allowance for expected credit losses in 2020, 2019 and 2018 are as follows:

	Receivables from		Other receivables from		
	Related parties	Third parties	Related parties	Third parties	Total
December 31, 2017	**₱284,329,766**	**₱–**	**₱1,438,102,720**	**₱4,719,113**	**₱1,727,151,599**
Addition (Notes 10 and 12)	–	–	720,124,110	–	720,124,110
Reversal (Notes 10 and 12)	–	–	(19,282,132)	–	(19,282,132)
Write-off	(260,597,982)	–	(108,895,805)	(3,301,753)	(372,795,540)
December 31, 2018	**23,731,784**	**–**	**2,030,048,893**	**1,417,360**	**2,055,198,037**
Addition (Notes 10 and 12)	75,757,453	–	700,104,835	–	775,862,288
December 31, 2019	**99,489,237**	**–**	**2,730,153,728**	**1,417,360**	**2,831,060,325**
Reversal (Notes 10 and 12)	–	–	(20,938,236)	–	(20,938,236)
December 31, 2020	**₱99,489,237**	**₱–**	**₱2,709,215,492**	**₱1,417,360**	**₱2,810,122,089**

In 2019, the Group reclassified portion of its receivables from current to noncurrent as the Group expects to collect the said receivables from the counterparties beyond one year. The excess of the carrying amount over the fair value based on the discounted cash flows at the end of five years of the noncurrent portion of receivables amounting to ₱340.96 million were recognized as allowance for expected credit losses. No accretion income was recognized on the difference between the carrying amount and the fair value in 2020 and 2019.

In 2020, the Group reversed provision for allowance for expected credit losses recognized in 2019 amounting to ₱20.94 million.

5. Creditable Withholding Taxes

	2020	2019
Creditable withholding taxes (CWTs)	**₱46,391,788**	₱46,391,788
Less allowance for probable losses	**46,391,788**	46,391,788
	₱–	₱–

6. Other Noncurrent Assets

	2020	2019
Garnished collections (Note 1)	**₱42,641,386**	₱42,641,386
Others	**234,211**	822,885
	42,875,597	43,464,271
Less allowance for probable loss	**42,875,597**	42,875,597
	₱–	₱588,674

Allowance for probable loss is provided for garnished collections and others.

Input VAT included as part of "Others" amounting to ₱0.73 million were written off in 2020 (nil in 2019) (see Note 10).

7. Bank Loan

This represents a short-term loan by the Company from a lender bank amounting to ₱50.0 million which became due in December 1997 but was extended up to March 1998. However, such loan obligation was not settled on maturity date. The Company negotiated with the lender bank for restructuring of the loan but it did not prosper. In July 1999, the lender bank filed a civil case against the Company, demanding immediate payment of the principal and the corresponding default charges. In November 1999, the Company's lawyers filed their reply and submitted to the Regional Trial Court of Makati (RTC-Makati) among others, the ongoing negotiations for the settlement of the obligations, and hence, countered that the lender bank be ordered to sit down with the Company for the amicable settlement of the case. In November 2000, the RTC-Makati considered the Company's submission that it is ready to go into negotiation for the settlement of the case. The outcome of this civil case is not yet known. Pending final decision of the case, the default charges were not recognized in the consolidated financial statements since management believes that such charges are subject to negotiation and the final outcome of the case cannot be presently determined. The Company continues its negotiations for a solution that is acceptable to the lender bank.

The Group accrued the related interest expense amounting to ₱12.00 million and ₱10.6 million in 2020 and 2019, respectively, as part of "Accrued expenses" account included in "Accounts payable and other liabilities" in the consolidated balance sheets, which is based on the interest rate of 24% for both years and is part of noncash activities (see Note 8).

8. Accounts Payable and Other Current Liabilities

	2020	2019
Trade	**₱38,840,520**	₱39,147,820
Accrued expenses (Note 7)	**276,359,856**	264,022,400
Deferred output VAT	**289,168,716**	289,168,716
Payables to related parties (Note 12)	**551,216,786**	547,747,686
Provisions (Note 10)	**29,179,070**	271,649,900
Retention payable to contractors and suppliers	**40,507,222**	40,507,222
Others	**2,234,743**	2,230,915
	₱1,227,506,913	₱1,454,474,659

Accrued expenses mostly pertain to the accrued interest on bank loan amounting to ₱276.00 million and ₱264.00 million as of December 31, 2020 and 2019, respectively (see Note 7).

The Group is currently involved in certain legal, contractual and regulatory proceedings and other possible claims that require the recognition of provisions for related probable claims against the Group. Management and its legal counsel reassess its estimates on an annual basis to consider new relevant information. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed as it may prejudice the Group's position and negotiation strategies with respect to these matters.

Movements in and details of provisions follow:

	2020	2019
Balance at beginning of year	**₱271,649,900**	₱129,008,142
Provision (Note 10)	–	181,615,153
Reversal	**(242,470,830)**	(38,973,395)
Balance at end of year	**₱29,179,070**	₱271,649,900

9. General and Administrative Expenses

	2020	2019	2018
Professional fees	**₱695,000**	₱662,857	₱973,970
Salaries, wages and employee benefits	**497,559**	548,429	447,821
Independent director's per diem	**390,000**	255,000	330,000
Taxes and licenses	**293,683**	975,984	4,622,787
Transportation and communication	**11,920**	245,852	240,122
Provision for expected credit losses (Notes 4 and 12)	–	775,862,288	720,124,110
Others	**311,072**	3,906,212	580,019
	₱2,199,234	₱782,456,622	₱727,318,829

Others include, among others, outside services expenses.

10. **Other Income (Charges)**

	2020	2019	2018
Reversal of provision for (provision for) probable losses (Note 8)	**₱242,470,830**	(₱142,641,758)	₱1,531,044
Reversal of allowance for expected credit losses (Note 4)	**20,938,236**	–	–
Loss on write-off of various assets	**(734,418)**	–	(11,879,253)
Others	**–**	–	924,358
	₱262,674,648	(₱142,641,758)	(₱9,423,851)

11. **Income Taxes**

a. The Group's provision for current income tax pertains to RCIT (nil in 2020, 2019 and 2018).

b. Deferred income tax assets have not been recognized on the following items as management believes that it is more likely that the Group will not be able to realize the deductible temporary differences in the future.

	2020	2019
Allowance for impairment losses:		
Receivables	**₱2,810,122,089**	₱2,831,060,325
Garnished collections	**42,641,386**	42,641,386
Other noncurrent assets	**234,211**	234,211
Accrued interest on bank loans*	**276,000,000**	264,000,000
NOLCO	**7,613,127**	6,628,217

**Not deducted from taxable income*

c. The reconciliation of the benefit from income tax computed at the statutory income tax rate to the provision for income tax shown in the consolidated statements of comprehensive income is as follows:

	2020	2019	2018
Provision for (benefit from) income tax at statutory income tax rate	**₱74,542,625**	(₱280,706,074)	(₱224,622,804)
Adjustments resulting from:			
Nondeductible provision for (nontaxable gain on reversal of provision) for probable losses	**(72,741,250)**	42,792,527	–
Nondeductible expenses	**153,779**	1,111,563	10,009,798
Movements in deductible temporary differences for which no deferred income tax assets were recognized	**(1,955,154)**	236,801,984	214,613,006
Provision for income tax	**₱–**	₱–	₱–

d. On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 (bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2020 and 2019, the Group has incurred NOLCO before taxable year 2020 which can be claimed as deduction from the regular taxable income for the next three consecutive taxable years, as follows:

		NOLCO	
Year Incurred	Valid Until	Amount	Tax effect
2019	2022	₱2,889,184	₱866,755
2018	2021	2,534,709	760,413
		₱5,423,893	₱1,627,168

As of December 31, 2020, the Branch has incurred NOLCO in taxable year 2020 which can be claimed as deduction from the regular taxable income for the next five consecutive taxable years pursuant to the Bayanihan to Recover As One Act and for which no deferred income tax asset was recognized, as follows:

		NOLCO	
Year Incurred	Valid Until	Amount	Tax effect
2020	2025	₱2,189,234	₱656,770

Following are the movements in NOLCO:

	2020	2019
Beginning of year	**₱6,628,217**	₱3,739,032
Additions	**2,189,234**	2,889,185
Expired	**(1,204,324)**	–
End of year	**₱7,613,127**	₱6,628,217

e. President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

- Imposition of improperly accumulated earnings tax (IAET) is repealed.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2011 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Group would have been subjected to lower regular corporate income tax rate of 25% effective July 1, 2020.

- Based on the provisions of Revenue Regulations (RR) No. 5-2021 dated April 8, 2021 issued by the BIR, the prorated CIT rate of the Company for CY2020 is 27.5%. The reduced amounts will be reflected in the Group's 2020 annual income tax return. However, for financial reporting purposes, the changes will only be recognized in the 2021 financial statements. The revised rate will not have an effect in the Group since it has incurred NOLCO amounting to ₱2.20 million as of December 31, 2020.

12. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely its legal form. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely its legal form.

In the ordinary course of business, the Group has related party transactions and balances as follows:

	2020			
	Amount/ Volume	**Outstanding Receivable (Payable)**	**Terms**	**Condition**
Stockholder				
Advances to	**₱–**	**₱571,738,488**	**Payable on demand; non-interest bearing**	**Unsecured; partially impaired**
Advances from	–	**(76,923,077)**	**- do -**	
*Associated companies**				
Rent	–	**1,182,879,139**	**Payable on demand; non-interest bearing**	**Unsecured**
Advances to	**1,158,105**	**2,653,403,429**	**- do -**	**Unsecured; partially impaired**
Payable to	**(3,469,100)**	**(474,293,709)**	**- do -**	**Unsecured**

	2019			
	Amount/ Volume	Outstanding Receivable (Payable)	Terms	Condition
Stockholder				
Advances to	₱–	₱571,738,488	Payable on demand; non-interest bearing	Unsecured; partially impaired
Advances from	–	(76,923,077)	- do -	
*Associated companies**				
Rent	–	1,182,879,139	Payable on demand; non-interest bearing	Unsecured
Advances to	128,937	2,652,245,324	- do -	Unsecured; partially impaired
Payable to	(6,876,105)	(470,824,609)	- do -	Unsecured

a. The Group granted non-interest-bearing advances to entities that are under common control and to its stockholder. As of December 31, 2020 and 2019, these advances have no payment terms and are considered payable on demand and to be settled in cash.

b. Movements in and details of the allowance for expected credit losses relating to receivables from related parties follow:

	2020	2019
Beginning balance	**₱2,829,642,965**	₱2,053,780,677
Addition (Note 9)	**–**	775,862,288
Reversal (Note 10)	**(20,938,236)**	–
Ending balance	**₱2,808,704,729**	₱2,829,642,965

c. The Group has non-interest-bearing payables to entities that are under common control and are to be settled in cash. Payables to related parties, included as part of "Accounts payable and other liabilities" in the consolidated balances sheets amounted to ₱551.22 million and ₱547.75 million as of December 31, 2020 and 2019, respectively (see Note 8).

d. The Group's remaining related party transactions pertain to the payment of expenses of entities under common control on behalf of the Group from 2018 to 2020.

e. In 2018, the Company transferred its employees and their related retirement benefit liability, property and equipment, and computer software to an affiliate which assumed the mall operations due to the cessation of its mall operations.

f. Pricewide, Inc. (PWI) assumed the liability of Primeworld Management Services, Inc. to the Group, amounting to ₱1,443.57 million, as of December 31, 2020. As collateral for the debt assumption, PWI executed a real estate mortgage over certain land properties in favor of the Group. The Group engaged a Philippine SEC-registered independent appraiser to estimate the value of the real estate used as the collateral using the Sales Comparison Approach. As at December 31, 2020, the appraised value of the real estate properties used as collateral amounted to ₱2.5 billion. No provision for impairment losses was recognized on the receivable from PWI as of December 31, 2020.

g. The Group's key management personnel, which consists of Board of Directors, did not receive compensation from the Group in 2020, 2019 and 2018.

13. **Basic/Diluted Earnings (Loss) per Share**

Basic/Diluted earnings (loss) per share amounts are calculated as follows:

	2020	2019	2018
Net income (loss)	**₱248,475,414**	(₱935,686,915)	(₱748,742,680)
Weighted average number of shares	**5,000,000,000**	5,000,000,000	5,000,000,000
Basic/diluted earnings (loss) per share	**₱0.050**	(₱0.187)	(₱0.150)

The Group does not have potential dilutive shares as of December 31, 2020, 2019 and 2018. Therefore, the basic and diluted earnings (loss) per share are the same as of those dates.

14. **Equity**

The Philippine SEC authorized the offering/sale of the Company's 5.0 billion common shares with par value of ₱1.0 each on September 16, 1996. The Company's common shares were held by 5,616 and 5,629 shareholders as of December 31, 2020 and 2019, respectively.

15. **Capital Management**

The primary objective of the Group's capital management is to ensure that it maintains sufficient working capital for its operations and safeguard the entity's ability to continue as a going concern, continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes for the years ended December 31, 2020 and 2019.

The following table summarizes the total capital as of December 31 considered by the Group:

	2020	2019
Capital stock	**₱5,000,000,000**	₱5,000,000,000
Deficit	**(4,675,964,477)**	(4,924,439,891)
	₱324,035,523	₱75,560,109

16. **Financial Instruments and Financial Risk Management Objectives and Policies**

<u>Financial Instruments</u>

Cash, receivables, bank loans and accounts payable and other liabilities

The carrying amounts of cash, receivables, bank loans and accounts payable and other liabilities approximate their fair values due to the short-term maturities of these financial instruments.

The Company has no other assets measured at fair value or which fair value has been disclosed using the Level 1 and 2 valuation hierarchy. There were no transfers between the different hierarchy levels in 2020 and 2019.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash, receivables and bank loans. The Group has various other financial assets and financial liabilities such as accounts payable and other current liabilities and customers' deposits which arise directly from its operations.

Financial risk management by the Group is governed by policies and guidelines approved by the BOD. Group policies and guidelines cover liquidity risk and credit risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Group's results of operations and financial position.

Liquidity risk

The Group seeks to manage its liquid funds through cash planning. The Group uses historical figures and experiences as well as forecasts of its collections and disbursements in the management of its funds. The Group negotiates for extension of credit terms from its creditors for more manageable repayment terms.

The following tables summarize the maturities of the Group's financial liabilities based on contractual undiscounted payments and the estimated maturities of financial assets used to manage liquidity risk:

	2020			
	On demand	**One year or less**	**More than one year**	**Total**
Bank loans:				
Principal	**₱50,000,000**	**₱–**	**₱–**	**₱50,000,000**
Interest	**276,000,000**	**–**	**–**	**276,000,000**
Accounts payable and other current liabilities:				
Trade	**38,840,520**	**–**	**–**	**38,840,520**
Accrued expenses*	**359,856**	**–**	**–**	**359,856**
Payable to related party	**551,216,786**	**–**	**–**	**551,216,786**
	₱916,417,162	**₱–**	**₱–**	**₱916,417,162**
Cash	**₱1,201,283**	**₱–**	**₱–**	**₱1,201,283**
Receivables**	**–**	**–**	**1,600,341,152**	**1,600,341,152**
	₱1,201,283	**₱–**	**₱1,600,341,152**	**₱1,601,542,435**

**Excludes accrued interest on bank loans amounting to ₱276.0 million.*
***The Company expects to collect these receivables beyond one year.*

	2019			
	On demand	One year or less	More than one year	Total
Bank loans:				
Principal	₱50,000,000	₱–	₱–	₱50,000,000
Interest	264,000,000	–	–	264,000,000
Accounts payable and other current liabilities:				
Trade	39,147,820	–	–	39,147,820
Accrued expenses*	22,400	–	–	22,400
Payable to related party	547,747,686	–	–	547,747,686
	₱900,917,906	₱–	₱–	₱900,917,906
Cash	₱1,201,283	₱–	₱–	₱1,201,283
Receivables**	–	–	1,578,244,811	1,578,244,811
	₱1,201,283	₱–	₱1,578,244,811	₱1,579,446,094

**Excludes accrued interest on bank loans amounting to₱264.0 million.*
***The Company expects to collect these receivables beyond one year.*

Credit risk
The Group deals with recognized creditworthy tenants. It is the Group's policy that all tenants who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to minimize the Group's exposure to bad debts. The Group also limits the advances granted to related parties into manageable levels and exerts effort to collect from these related parties. Creditworthiness of the tenants and related parties is reassessed at least once or twice a year to determine sufficiency of any allowance for probable losses to be provided. The maximum credit risk exposure on receivables is equivalent to the carrying amounts of receivables from tenants and related parties.

The Group's policy is to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk.

Out of the total trade receivables as of December 31, 2020 and 2019, 99%, comes from the Group's related parties. Except for receivables from some affiliates under common control, which are provided with allowances, the collectability of receivables from related parties are probable since these related parties have net income and positive cash flows. The Group manages the concentration risk by extending advances to related parties engaged in different industries such as department stores, supermarket, school, hospital, resorts and golf courses.

The maximum exposure to credit risk for the Group's loans and receivables, without taking into account any collateral and other credit enhancements, is equal to their carrying amounts.

For cash in banks, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and estimate ECL.

The following tables summarize the credit quality per class of the Group's financial assets:

	December 31, 2020					
	Neither past due nor impaired					
	High grade	**Standard Grade**	**Substandard Grade**	**Past due but not impaired**	**ECL**	**Total**
Cash in bank*	**₱10,014**	**₱–**	**₱–**	**₱–**	**₱–**	**₱10,014**
Receivables	**–**	**–**	**–**	**1,600,341,152**	**2,810,122,089**	**4,410,463,241**
	₱10,014	**₱–**	**₱–**	**₱1,600,341,152**	**₱2,810,122,089**	**₱4,410,473,255**

**Excludes cash on hand amounting to ₱1,191,269.*

	December 31, 2019					
	Neither past due nor impaired					
	High grade	Standard Grade	Substandard Grade	Past due but not impaired	ECL	Total
Cash in bank*	₱10,014	₱–	₱–	₱–	₱–	₱10,014
Receivables	–	–	–	1,578,244,811	2,831,060,325	4,409,305,136
	₱10,014	₱–	₱–	₱1,578,244,811	₱2,831,060,325	₱4,409,315,150

**Excludes cash on hand amounting to ₱1,191,269.*

The Group classifies loans and receivables as high or standard grade. "High grade" receivables pertain to those receivables from tenants who consistently pay before the maturity date. "Standard grade" includes receivables that are collected on their due dates even without collection effort made by the Group. "Substandard grade" includes receivables which are collected on their due dates provided that the Group made a persistent effort to collect them. Past due but not impaired receivables include those that have not been paid during their respective due dates but are still assessed as collectible by the Group's management. Meanwhile, ECL pertains to those with the least likelihood of collection even after rigorous collection efforts made by the Group. Impaired receivables have been provided with allowance depending on the management's assessment of their collectability. In assessing collectability, management considers deposits and advances held by the Group as well as the experience from previous transactions with the tenants.

Cash in bank are classified as "High grade" since these are deposited and invested with reputable bank and can be withdrawn anytime.

The aging per class of financial assets and the expected credit losses as of December 31, 2020 and 2019 are as follows:

As of December 31, 2020:

	Financial Assets			
	12-Month ECL	**Lifetime ECL Not Credit Impaired**	**Lifetime ECL Credit Impaired**	**Total**
Amortized Cost				
Cash in banks	**₱1,201,283**	**₱–**	**₱–**	**₱1,201,283**
Receivables	**–**	**1,600,341,152**	**2,810,122,089**	**4,410,463,241**
	₱1,201,283	**₱1,600,341,152**	**₱2,810,122,089**	**₱4,411,664,524**

As of December 31, 2019:

	Financial Assets			
	12-Month ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
Amortized Cost				
Cash in banks	₱1,201,283	₱–	₱–	₱1,201,283
Receivables	–	1,578,244,811	2,831,060,325	4,409,305,136
	₱1,201,283	₱1,578,244,811	₱2,831,060,325	₱4,410,506,419

In assessing impairment, the Group considers the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are the non-moving accounts and receivables from related parties.

17. Operating Segments

The Group is engaged in building shopping malls and leasing out to commercial tenants and considers such as its primary activity and only business segment until March 2017. The Group had only one geographical segment as all of its assets are located in the Philippines. The Group operated and derived principally all of its revenue from domestic operations until March 2017. Thus, geographical business information is not required.

No segment information as of and for the year ended December 31, 2020, 2019 and 2018 were presented since the Group has no operations during those years.

18. **Continuing COVID-19 Pandemic**

On March 11, 2020, the World Health Organization has declared the novel coronavirus (COVID-19) outbreak a global pandemic. In the Philippines, in a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months. Various stages of quarantine were imposed since then, which restricted various economic activities. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

These measures have caused disruptions to businesses, global supply chain, and economic activities, and its impact continues to evolve.

The scale and duration of these developments remain uncertain as at the report date. The outbreak could have a material impact on the consolidated financial results for the rest of 2021 and even periods thereafter. Considering the evolving nature of the pandemic, the Group will continue to monitor the situation.

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BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Ever Gotesco Resources and Holdings, Inc.
Ever Gotesco Corporate Center
1958 Claro M. Recto Avenue, Manila

We have audited in accordance with Philippine Standards on Auditing the consolidated financial statements of Ever Gotesco Resources and Holdings, Inc. and its subsidiary (the Group) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, included in this Form 17-A and have issued our report thereon dated June 16, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Shane Dave D. Tanguin
Partner
CPA Certificate No. 0115818
SEC Accreditation No. 1732-A (Group A),
January 8, 2019, valid until January 7, 2022
Tax Identification No. 242-153-393
BIR Accreditation No. 08-001998-139-2018,
December 17, 2018, valid until December 16, 2021
PTR No. 8534371, January 4, 2021, Makati City

June 16, 2021

SGV
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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Ever Gotesco Resources and Holdings, Inc.
Ever Gotesco Corporate Center
1958 Claro M. Recto Avenue, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ever Gotesco Resources and Holdings, Inc. and its subsidiary (the Group) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, and have issued our report thereon dated June 16, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Shane Dave D. Tanguin
Partner
CPA Certificate No. 0115818
SEC Accreditation No. 1732-A (Group A),
January 8, 2019, valid until January 7, 2022
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June 16, 2021

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY
Index to Consolidated Financial Statements
As at and For the Year Ended December 31, 2020

SCHEDULE I-B

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY

AMOUNTS RECEIVABLE FROM DIRECTORS, RELATED PARTIES, OFFICERS, EMPLOYEES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2020

AMOUNTS IN THOUSANDS

	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of year
Directors	₱571,738,488	₱–	₱–	₱–	₱–	₱571,738,488	₱571,738,488

SCHEDULE I-G

EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY

CAPITAL STOCK

DECEMBER 31, 2020

AMOUNTS IN THOUSANDS

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related consolidated statement of financial position caption	Number of shares reserved for options, warrants, conversion, and other rights	Number of shares held by related parties	Directors and officers	Others
Common stock - "Class A" at ₱1 par value	5,000,000	5,000,000	–	1,174,235	521,493	3,304,272

SCHEDULE II
EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY
FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2020

		December 31		
Ratio	**Formula**	**2020**	2019	2018
Current ratio	$\frac{\text{Total current assets}}{\text{Total current liabilities}}$	**0.0009**	0.0008	1.1260
Acid test ratio	$\frac{\text{Cash + current receivables}}{\text{Total current liabilities}}$	**0.0009**	0.0008	1.1260
Solvency ratio	$\frac{\text{Net income after tax}}{\text{Total liabilities}}$	**0.19**	-0.62	-0.56
Debt-to-equity ratio	$\frac{\text{Accounts payable and other liabilities + bank loan}}{\text{Total equity}}$	**3.94**	19.91	1.33
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	**4.94**	20.91	2.33
Interest rate coverage ratio	$\frac{\text{Net income + depreciation expense + Interest expense}}{\text{Interest expense}}$	**-19.71**	89.37	63.40
Return on equity	$\frac{\text{Net income after tax}}{\text{Stockholder's equity}}$	**0.77**	-12.38	-0.74
Basic/Diluted earnings per share	$\frac{\text{Net income after tax}}{\text{Outstanding shares}}$	**0.05**	-0.19	-0.15

SCHEDULE III
EVER GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY
CORPORATE STRUCTURE
DECEMBER 31, 2020

SCHEDULE IV
EVER-GOTESCO RESOURCES AND HOLDINGS, INC.
SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2020

Deficit, January 1, 2020	(₱4,924,439,891)
Add net income actually earned during the year	248,475,414
Deficit, December 31, 2020	(₱4,675,964,477)