

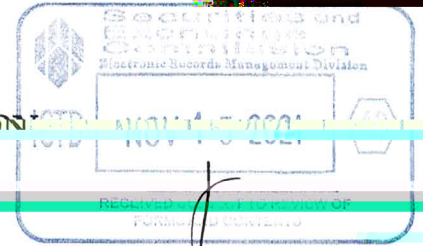
MEGAWIDE CONSTRUCTION CORPORATION

**20N. Domingo Street,
Barangay Valencia
Quezon City**

655 1111

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q



QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE XXXXX

1. For the Quarterly Period: _____
2. SEC Identification Number: **CS200411461**
3. BIR Tax Identification No.: **232-715-046-000**
4. Exact Name of Issuer as Specified in its Charter: **Corporation**
5. Province, Country or other Jurisdiction of Incorporation or Organization: **Philippines**
6. Industry Classification Code (SEC use only): _____
7. Address of Principal Office: **No. 30 N. Domingo Street,
Barangay Valenzuela, Quezon City,
Postal Code: **1412****
8. Issuer's Telephone Number, including Area Code: **(02) 655-1111**
9. Former Name, Former Address and Fiscal Year, if Changed since Last Report: **Not Applicable**

10. Securities registered pursuant to Section 0, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

Title of Each Class	Number of Shares	Amount of Debt
	Issued and Outstanding	Outstanding (P)
MWIDE (Common)	2,399,426,127	0
MWP (Preferred)	40,000,000	0
MWP2A (Preferred)	26,220,130	0
MWP2B (Preferred)	17,405,889	0
MWP3 (Preferred)	5,000,000	0

11. Are any or all these securities:
- Yes No

Tax Expense increased by P20 million

Other non current liabilities increased by P50million

Equity attributable to Parent decreased by 3% or by P49million

C. MATERIAL EVENTS AND UNCERTAINTIES

.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

(Amounts in PMillions)	For six (9) months ended September 30	
	2021	2020
Cash Flow		

E. RISK MANAGEMENT OBJECTIVES AND POLICIES

F. KEY PERFORMANCE INDICATORS

**Amounts in PHP Billion, except
Ratios and Earnings per Share**

SIGNATURES

Pursuant to the requirement of Section 17 of the Civil Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in

on May 1, 2021

By:

EDGAR B. SAAVEDRA
President and Chief Executive Officer

RAMON H. DIAZ
Chief Financial Officer

SUBSCRIBED AND SWORN TO before me in QUEZON CITY on May 1, 2021,
affiants exhibiting to me their respective valid IDs, as follows:

NAME	Valid ID	DATE OF ISSUE / VALID UNTIL	PLACE OF ISSUE
Edgar B. Saavedra	Passport No. P6875140B	Valid until May 28, 2021	Manila
Ramon H. Diaz	Passport No. P5852124B	November 24, 2030	Manila

Doc. No. 201;
Page No. 67;
Book No. 9;
Series of 2021.



Charlotte Y. King
CHARLOTTE Y. KING
Notary Public for Quezon City
Until 31 December 2021
Roll of Attorney No. 66162
JPR Notary No. 038233
MOR Compliance No. MOR004991, 21 December 2017
No. 20 N. Domingo St., Brgy. Valencia, Quezon City, 1112

November 11, 2021

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Megawide Construction Corporation (the Group) is responsible for the preparation and fair presentation of the financial statements as of September 30, 2021, 2020, and 2019, in accordance with the prescribed financial reporting framework, 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 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 Company or to cease operations, or has no realistic alternative to do so.


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

The Board of Directors reviews and approves the financial statements, including the schedules attached thereto.

Punongbayan and Audit, the independent auditors appointed by the stockholders, has reviewed the financial statements of the Group in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor*, and the auditors, on behalf of the stockholders, have expressed their conclusion on the fairness of presentation upon completion of such review.



ENGR. EDOAR B. SAAVEDRA
President and Chief Executive Officer
195-661-064-000



RAMON H. DIAZ
Group Chief Financial Officer
133-692-824-000

SUBSCRIBED AND SWORN TO at QUEZON CITY affiants
exhibiting to me their valid Tax Identification Numbers stated above.

Signed this NOV 11 2021

Doc. No. 325 ;
Page No. 64 ;
Book No. II ;
Series of 2021.



Charlotte King
CHARLOTTE Y. KING

Until 31 December 2021
Roll of Attorney No. 66162
IBP I
Notary Public, Quezon City
MCLE Compliance No. VI-0004991; 21 December 2017
No. 20 N. Domingo St., Brgy. Valencia, Quezon City, 1112

	<u>Notes</u>	<u>(Audited)</u> <u>December 31, 2020</u>
Interest bearing loans and borrowings	14	P 13,110,457,751
Trade and other payables	13	829,951,223
Contract liabilities	15	458,980,101
Other current liabilities	16	

		Yarotide	Quatr	Yarotide	Quatr
		(P 9721530)	(P 4842334)	P 8516582	

Balance at January 1, 2021	P	2,389,436,127	P	8,700,000	(P	4,615,600,576)	P	1,305,711,509	(P	890,923)	(P	22,474,837)	P	640,420,624	P	17,301,313,934	P	3,221,153,980	P	20,622,437,864
Issuance of cash dividends	-	-	-	-	-	-	-	-	-	-	-	(	39,222,000)	(	39,222,000)	-	-	(	39,222,000)
Subscription of preferred shares	-	1,025,000	-	-	-	-	-	-	-	-	-	-	-	1,025,000	-	-	-	-	1,025,000	
Total comprehensive loss for the period	-	-	-	-	(	27,410)	-	(	27,410)	-	-	(	80,609,600)	(	81,081,000)	(	428,863,837)	(	509,934,927)

	Notes	2020	2019
Profit (loss) before tax		(P 86,008,851)	P 1,201,829,547
Adjustments for:			
Finance costs		1,735,302,575	1,188,349,643
Depreciation and amortization	8 9 10 11	1,110,771,533	1,120,355,608
Finance income		(386,048,308)	(522,152,788)
Gain on loan modification	14		
Equity in net losses (gain) on associates and joint venture	7	21,932,218	(22,077,341)
Unrealized mark to market loss (gain) in interest rate swap		-	-
Gain on disposals of property, plant and equipment		(4,126,161)	-
Operating profit before providing capital charges		1,611,488,976	2,906,299,661
Decrease (increase) in trade and other receivables	5	2,622,063,508	(2,735,623,377)
Increase in construction materials		(65,181,073)	(54,441,692)
Increase in contract assets	6	(411,545,734)	(68,299,066)
Increase in other non-current assets	8	(1,531,155,045)	(68,702,733)
Increase (decrease) in other non-current assets	8	(528,665)	-
Increase (decrease) in trade and other payables	13	(28,607,757)	174,059,007
Increase in advances from customers			1,328,622,338
Increase in contract liabilities	15	(234,606,789)	(89,855,152)
Increase in other liabilities	16	229,499,911	(241,417,190)
Increase in post-employment defined benefit obligation		5,082,507	3,741,849
Cash generated from operations		2,186,658,935	(65,649,312)
Cash paid for income taxes		(51,806,319)	(58,733)
Net Cash From Operating Activities		2,134,852,416	(66,230,045)
Acquisitions of property, plant and equipment, and computer software license	10	(60,482,323)	(1,433,329,735)
Additions to commission assets	9	(511,970,145)	(1,435,625,729)
Proceeds from sale of property, plant and equipment	10	-	-
Decrease (increase) in investment in trust fund	8	486,329,519	(1,211,422,947)
Acquisitions of investment properties	11	(58,957,787)	(98,525,007)
Interest received		55,868,368	32,152,788
Proceeds from sale of financial assets at fair value through profit or loss		-	26,201,139
Net Cash Used in Investing Activities		(62,982,388)	(4,784,900,551)
		P 1,446,890,028	(P 4,784,900,551)

Note

2020

2019

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
SELECTED NOTES TO INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
SEPTEMBER 30, 2021, 2020 AND 2019 AND DECEMBER 31, 2020
(Amounts in Philippine Pesos)

1 CORPORATE INFORMATION

1.1 Incorporation and Operations

Megawide Construction Corporation (the Parent Company) was incorporated in the Philippines on July 28, 2001 and is engaged in the general construction business, including constructing, enlarging, repairing or upgrading in any work upon buildings, houses and condominiums, roads, plants, bridges, piers, waterworks, railroads and other structures. It performs other allied construction business like the construction and sale of precast items, concrete production, and purchase, lease and/or use of formwork system and construction equipment.

On January 28, 2011, the Philippine Stock Exchange (PSE) and the Securities Exchange Commission (SEC) approved the Parent Company's application for the listing of its common stock. The approval covered the initial public offering (IPO) of 292.0 million unissued common shares of the Parent Company at P781 offer price per share and the listing of those shares in PSE's main board on February 18, 2012. On December 3, 2014, the Parent Company made a primary offer of 400 million preferred shares at an offer price of P1000 per share. These preferred shares are also listed in the PSE (see Note 19).

On September 22, 2014, the SEC approved the Parent Company's amendment of articles of incorporation, which includes: (i) the Parent Company's power to extend its term of

The Parent Company remains a subsidiary of Citicore which owns and controls 35.41% of the issued and outstanding capital stock of the Parent Company as of September 30, 2021 and December 31, 2020 because Citicore still directs the overall business operations of the Parent Company through its Chief Executive Officer and President, who is also the President of Citicore

d ***MMII***

MMII is a joint venture arrangement formed on February 10, 2015 by the Paert Company and MII, both exercising joint control to direct the relevant activities of MMII. The joint venture undertakes the development and implementation of the Paañque Integrated Terminal Exchange (PITX) Project (formerly Southwest Integrated Transport System Project) granted by the Philippine Government to MMII under a Build-Operate-Transfer Agreement (BOT Agreement) through the DOTr. In November 2018, MMII commenced commercial operations.

With the Paert Company's acquisition of 100% ownership interest in MII in 2018, the Paert Company's effective ownership interest in MMII increased from 51% to 100% as of December 31, 2018.

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o) CDI

CDI, whose registered office is at Unit 1501 Ayala Life FGU Center Cebu, Miranda Avenue corner Biliban Road, Cebu Business Park, Cebu City, was incorporated on November 3, 2020 to deal, engage, or otherwise acquire an interest in land or real estate business, without engaging in real estate investment trust. As of September 30, 2021, CDI has not yet stated commercial operations.

p) WHI

WHI, whose registered office is at 20N. Domingo Street, Bigy Valencia, Quezon City, was incorporated on November 16, 2020 to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description. As of September 30, 2021, WHI has not yet stated commercial operations.

q) TLH

On October 16, 2020, TLH was incorporated in the territory of British Virgin Islands to primarily engage in buying and holding shares of other companies. TLH's registered address is at Vista Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands. As of September 30, 2021, TLH has not yet stated commercial operations.

r) HMDW

HMDW is a newly incorporated joint venture formed on October 27, 2020 by the Parent Company, Hyundai Engineering & Construction Co., Ltd. and Dong Ah Geological Engineering Company Ltd., each owning 35%, 57.5%, and 7.5% interest, respectively, and exercising joint control. HMDW was established to provide construction works for the civil structures, viaducts, bridges and stations of Mindo Clark Railway Project (MCRP). HMDW began to operate in 2021.

13 Impact of COVID-19 on the Group's Business

The COVID-19 pandemic started to become widely spread in the Philippines in early March 2020. The measures taken by the government to contain the virus have affected economic conditions and the Group's business operations. Starting third quarter of 2021, the Group's business operations have started to gradually recover.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared in accordance with the accounting policies adopted by the Group in its recent annual consolidated financial statements for the year ended December 31, 2010

These policies have been consistently applied to all the years presented, unless otherwise stated

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unless otherwise stated, none of these are expected to have significant impact on the Group's consolidated financial statements.

- (i) **PAS 16 (Amendments), Effective from January 1, 2022.** The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- (ii) **PAS 37 (Amendments), Effective from January 1, 2022.** The amendments specify that the 'cost of fulfilling a contract' comprises the 'costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor; materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
- (iii) **Annual Improvements to PFRS 2018-2020 Cycle.** Among the improvements, the following amendments, which are effective from January 1, 2022, are relevant to the Group but have no significant impact to the Group's consolidated financial statements:
 - **FRS 9 (Amendments):** The improvements clarify the fees that a company incurs when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
 - **Illustrative Examples Accompanying FRS 16:** The improvement merely removes from the example, the illustrations of the reimbursement of leasehold improvements by lessor in order to resolve any potential confusion regarding the treatment of lease incentives.
- (iv) **PAS 1 (Amendments), Effective from January 1, 2022.** The amendments clarify the requirements for the recognition of intangible assets.

- (vi) FRS 10 (Amendments), 7th July 2005 and PAS 28 (Amendments), 1st July 2005 (effective indefinitely). The amendments to FRS 10 require full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in FRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e. to the extent of the undated investor's interest in an associate or joint venture) only applies to those sale or contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

3 SEGMENT REPORTING

The Group's operating businesses are recognized and managed separately according to the nature of services provided with a segment representing a strategic business unit. The Group's business segments follow:

3.1 Business Segments

- i. Construction** - principally refers to general construction business, including constructing and sale of precast items and concrete production and rental of construction equipment.
- ii. Food and Beverage** - mainly relate to the business of building, rehabilitating, renovating, constructing, developing, operating and maintaining the MOA, including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility. The Group also has manufacturing operations of food and non-food items.
- iii. Information Technology** - principally relates to the development and implementation of the Southwest Integrated System Project (IS Project), now known as PITX.

Other operations of the Group comprise the operations and financial control groups. These segments are also the basis of the Group in reporting to its executive committee for its strategic decision making activities. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment revenues and expenses that are directly attributable to business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

32 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment, net of allowances and provisions.

33 Analysis of Segment Information

Presented below are the relevant operating segment information about the results of operations for the nine months ended September 30, 2021, 2020 and 2019 and financial position of the Group's business segments as of September 30, 2021 and December 31, 2020 and 2019 (amounts in thousands).

	Construction			Airport			Landport			Total		
	September 30 2021	September 30 2020	September 30 2019	September 30 2021	September 30 2020	September 30 2019	September 30 2021	September 30 2020	September 30 2019	September 30 2021	September 30 2020	September 30 2019
Results of operations												
Sales to external customers	P 10,553,089	P 7,411,981	P 10,070,746	P 36,632	P 1,067,663	P 2,961,152	P 53,880	P 551,915	P 20,695	P 11,446,381	P 9,081,539	P 13,238,808
Intersegment sales	17,234	3,816	45,102	-	-	-	-	-	-	17,234	3,816	45,102
Segment Revenue	<u>10,570,323</u>	<u>7,415,797</u>	<u>10,115,848</u>	<u>36,632</u>	<u>1,067,663</u>	<u>2,961,152</u>	<u>53,880</u>	<u>551,915</u>	<u>20,695</u>	<u>11,463,615</u>	<u>9,085,355</u>	<u>13,283,910</u>
Cost and other operating expenses												
Cost of construction												
airport and landport operations												
excluding depreciation												
and amortization	8,050,05	6,166,87	8,537,08	25,455	2,410,481	86,653,37	#	65,885	(1,539,06)	14,512,942	8,367,38	6,619,49
Depreciation and amortization												
Interest expense	989,66	736,61	519,99	72,037	20,580	581,163	173,616	16,885	2,023	1,244,29	1,108,76	1,180,35
Income tax expense	(24,356)	(33,019)	(44,79)	(614)	(28,89)	(117,348)	(12)					

34 Reconciliation

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its interim consolidated financial statements in interim (amounts in thousands).

	<u>2021</u> <u>(Unaudited)</u>	<u>N 2020</u> <u>0(Unaudited)</u>	<u>2019</u> <u>(Unaudited)</u>
Profit or loss			
Segment net profit (loss)	(P 57,415)	(P 90,333)	P 89,602
Other unallocated income (expense)	<u>27,789</u>	<u>(13,453)</u>	<u>(4,436)</u>
Net profit (loss) attributable to the parent in the interim consolidated financial statements of income	<u>(P 50,626)</u>	<u>(P 91,786)</u>	<u>P 85,166</u>

4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows

	September 30 2021 (Unaudited)	December 31, 2020 (Audited)
Cash on hand	P 685,195	P 540,865
Cash in banks	3,411,804,366	2,165,007,181
Short term placements	<u>3,089,759,677</u>	<u>5,055,741,836</u>
	<u>P 6,508,492,338</u>	<u>P 7,226,149,912</u>

Cash in banks generally earn interest based on daily bank deposit rates

Short term placements are made for varying periods from 14 to 90 days and earn a annual effective interest of 0.7% to 6.0% in 2021, 2020 and 2019

5 TRADE AND OTHER RECEIVABLES

This account consists of the following

	September 30 2021 (Unaudited)	December 31, 2020 (Audited)
Contract receivables		
Third parties	P 2,994,162,922	P 2,810,546,754
Related parties	1,160,208,836	

The significant changes in the contract assets balances during the reporting periods are as follows

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Balance at beginning of the period		(Audited)

73 Interest in Joint Ventures

This account includes the carrying values of the following components

September 30, 2021 <u>(Unaudited)</u>	December 31, 2020 <u>(Audited)</u>
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	<u>Before Elimination</u>	<u>Elimination</u>	<u>After Elimination</u>
@MTHG			
Trade and other payables	P 489,022.75	P -	P 489,022.75
Due to related parties	1,081,218	-	1,081,218
Other liabilities	253,839.85	-	253,839.85
	<u>P 545,274.99</u>	<u>P -</u>	<u>P 545,274.99</u>
FYH YUBX9 dgg			
Contract revenues	P 33,564.16	P -	P 33,564.16
Contract costs	(181,009.78)	-	(181,009.78)
Other operating expenses	(122,886.50)	-	(122,886.50)
Finance income	915,734	-	915,734
	<u>P 490,520</u>	<u>P -</u>	<u>P 490,520</u>
STWV %SSSBIKPC			
5gg			
Cash and cash equivalents	P 1,009,152,103	P -	P 1,009,152,103
Trade and other receivables	28,784,982	(221,052,328)	17,732,654
Other current assets	268,293	-	268,293
Property, plant, and equipment - net	491,729	-	491,729
	<u>P 1,297,717,737</u>	<u>(P 221,052,328)</u>	<u>P 1,076,665,409</u>
@MTHG			
Trade and other payables	P 67,181,181	P -	P 67,181,181
Due to related parties	308,767	-	308,767
	<u>P 60,269,918</u>	<u>P -</u>	<u>P 60,269,918</u>
FYH YUBX9 dgg			
Construction operation revenues	P 66,555,013	(P 7,687,471)	P 58,867,542
Cost of construction operations	(58,255,612)	69,052,322	(51,343,210)
Other operating expenses	(3,956,309)	-	(3,956,309)
Finance cost	945,224	-	945,224
	<u>P 5,288,316</u>	<u>(P 7,785,089)</u>	<u>P 4,973,317</u>

8 OTHER ASSETS

This account is composed of the following

	Notes	September 30 2021 (Unaudited)	December 31, 2020 (Audited)
Current:			
Advances to contractors and supplies	81	P 5,427,493.66	P 4,857,992.76
Input VAT	82	1,083,374.78	75,586,442
Deferred input VAT	82	85,880,412	45,773,123
Deferred fulfillment costs	86	85,388,577	78,288,237
Prepaid taxes	84	68,930,435	82,485,682
Refundable security and bond deposits		15,813,030	15,107,192
Prepaid insurance		8,283,082	3,751,635
Prepaid subscription		26,611,276	17,986,089
Prepaid rent		6,308,255	16,889,653
Miscellaneous		25,523,181	4,031,989
.....		<u>9,389,712,332</u>	<u>7,956,744,328</u>
Noncurrent:			
Deferred input VAT	82	1,957,256.01	1,788,014.80
Investment	D		D

Impairment of current portion of advances to contractors and suppliers was assessed through determining the position of the contractors and suppliers on their capacity to comply according to their performance obligation. Despite the impact of COVID-19, the Group deemed the advances to be recoverable by qualifying contractors and suppliers through their work progress as well as using outstanding liability of the Group to the contractors and suppliers as leverage.

On the other hand, non-current portion of this is related to the down payments made by the Group for the construction of airport terminal building and acquisitions of property, plant and equipment.

82 Input VAT

Input VAT under other current assets pertains to the payment of VAT on purchases of services and goods that is recoverable within 12 months. Deferred input VAT pertains to the amortized input VAT on purchases of capital goods exceeding P1.0 million and bid premium. Deferred input VAT arising from purchase of capital goods exceeding P1.0 million is to be amortized and credited against output taxes evenly over five years or the life of the asset, whichever is shorter.

Non-current portion of input VAT represents GMCAC's input VAT, pertaining mainly to VAT from the payment of bid premium in 2014, which will be recovered in future years. The balance is to be transferred to input VAT under Other Current Assets systematically on the basis of the Group's projected output VAT payments over the term of the Concession Agreement.

83 Deposits for Condominium Units

Deposits for condominium units represent initial down payments made for the purchase of condominium units. These will be reclassified to investment property upon execution of contract to sell and deed of sale.

84 Prepaid Taxes

Prepaid taxes pertain to the excess of quarterly income tax payments over the current tax deduction for the period and creditable withholding taxes.

85 Investment in Trust Fund

On November 28, 2014, GMCAC's BOD authorized GMCAC to establish, maintain and operate trust and investment accounts with a local universal bank (Security Trustee). The investment in trust fund constitutes (i) Revenue Accounts, (ii) Future Major Maintenance Fund Account, (iii) Debt Service Reserve Accounts, (iv) Debt Service Payment Account, and (v) Distribution Accounts, collectively referred to as "Cash Flow Waterfall Accounts" and Loan Disbursement Accounts under certain Omnibus Loan and Security Agreement (OLSA) to ensure the prompt payment of the required amortization, interest and principal of the long-term loan.

The Group recognized addition to the capitalized concession assets amounting to P494 million, and P654 million for the period ended September 30, 2021 and December 31, 2020 respectively. In 2021 and 2020 the Group recognized amortization amounting to P292 million, and P1635 million respectively.

The balance of concession assets as of September 30, 2021 and December 31, 2020 amounted to P30389 million and P29987 million, respectively.

10 PROPERTY, PLANT AND EQUIPMENT

As of September 30, 2021, and December 31, 2020 the Property, Plant and Equipment is composed of building, construction equipment, improvements, and right of use assets totaling P67970 million and P74973 million, respectively.

In 2021 and 2020 and 2019 the Group recognized total additions amounting to P580 million, P1,021.4 million, and P3486 million respectively and sold certain property, plant, and equipment for P280 million, P43 million, and P921 million respectively. As a result of sale, the Group recognized gains amounting to P87 million, P41 million, and P61 million in 2021, 2020 and 2019 respectively, and are presented as part of Other net under Other Income (Charge) account in the consolidated statements of income.

The aeronautical facilities, land and property, plant and equipment pledged as security for loan facilities.

There is also no contractual commitment to acquire any property, plant and equipment.

There were no items of property, plant and equipment that were impaired, lost or given up as of September 30, 2021, and December 31, 2020.

11 INVESTMENT PROPERTIES

MWMI was granted an exclusive right and obligation under the Concession Agreement. Relative to the arrangement, MWMI incurred cost necessary to construct the facility. These separately identifiable accumulated costs incurred in the development of the PITX Project are allocated based on development and implementation plan for the terminal and

In 2021 and 2020 the Group recognized total additions amounting to P113 million and P401 million, respectively. In 2021, the Group also recognized reclassification from property, plant and equipment, specifically under construction in progress, to investment property amounting P250 million after its completion during the period.

The Group recognized depreciation and amortization relating to investment properties amounting to P857 million, P1059 million, and P436 million in 2021, 2020 and 2019, respectively.

As of September 30, 2021, and December 31, 2020 the Investment Properties has a fair value amounting to P5,641 million, and P5,487 million, respectively which were recognized under the Level 3 fair value hierarchy (see Note 266).

12 LEASES

The Group has leases for construction equipment and transportation equipment. With the exception of short-term leases and leases of low-value underlying assets, each right-of-use asset and lease liability from leases are reflected on the consolidated statements of financial position as part of property, plant and equipment and interest-bearing loans and borrowings, respectively. Variable lease payments which do not depend on an index or rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancelable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the leased asset.

Certain Investment Property, Construction Equipment and Concession Assets of the Group are being leased out to customers. In managing risk, the Group ensures that assets are well maintained, preventive maintenance scheduled and appropriate insurance cover are in place.

121 Right of Use Assets

Right of use assets are presented in the interim condensed consolidated statements of financial position as part of Property, plant, and equipment - net. The carrying amount of the Group's right of use assets as at September 30, 2021 and December 31, 2020 and the movements during the periods are shown below.

		<u>Precast and Construction Equipment</u>		<u>Transportation Equipment</u>		<u>Total</u>
Balance as of						
January 1, 2021 (audited)	P	40,421,371	P	16,956,603	P	60,380,974
Additions		-		22,557,784		22,557,784
Disposals		-	(	3,533,807	(	3,533,807
Reclassification		-	(	913,000	(	913,000
Depreciation and amortization	(	5,126,933	(	2,670,182	(	8,289,715
Balance at						
September 30, 2021 (unaudited)	P	<u>38,429,408</u>	P	<u>19,267,398</u>	P	<u>56,531,806</u>
Balance as of						
January 1, 2020 (audited)	P	36,681,729	P	19,812,743	P	58,444,472
Additions		121,617,007		35,336,980		157,183,987
Disposals		-	(	1,236,701	(	1,236,701
Reclassification	(	6,727,240	(	3,803,589	(	10,530,829
Depreciation and amortization	(	51,127,125	(	5,332,880	(	10,499,985
Balance at						
December 31, 2020 (audited)	P	<u>40,421,371</u>	P	<u>16,956,603</u>	P	<u>60,380,974</u>

122 Lease Liabilities

Lease liabilities are presented in the interim condensed consolidated statements of financial position as part of Interest bearing Loan

123 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments, if any, are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expenses relating to short-term leases amounted to P363 million, P316 million and P267 million in 2021, 2020 and 2019, respectively, and is presented as part of Other Operating Expenses in the interim condensed consolidated statements of income. These are low-value assets that were not recognized as lease liabilities for the periods presented.

124 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P826 million, P1563 million and P1021 million in 2021, 2020 and 2019, respectively. Interest expense in relation to lease liabilities amounted to P51 million, P307 million and P137 million in 2021, 2020 and 2019, respectively, and is presented as part of Finance costs under Other Income (Charges) in the interim condensed consolidated statements of income.

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are as follows:

Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total
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The notes are issued in three tranches with the following details:

	<u>Principal</u>	<u>Term in Years</u>	<u>Interest Rate</u>
Tranche A	P 60,000,000	5	5%
Tranche B	325,000,000	7	6%
Tranche C	<u>100,000,000</u>	10	6%
	<u>P485,000,000</u>		

The nominal rates refer to the Philippine Dealing System Treasury (PDST) Fixed Rates with respect to the term of each tranche plus an interest spread of 1.75% for Tranche A and B and 1.50% for Tranche C.

The notes, among other things, restrict the Parent Company's ability to

- (i) incur any indebtedness to be secured by or to benefit from any lien in favor of any creditor on or in respect of any present or future assets or revenues or the right to receive income;
- (ii) make any material change in the nature of its business from that being carried on as of the signing date;
- (iii) enter into any merger or consolidation except if the issuer retains control of the surviving corporation, such merger or consolidation is required by law and such merger does not result in material adverse effect;
- (iv) amend its articles of incorporation and/or by laws except as required by law;

The notes are issued with the following details

<u>Date Issued</u>	<u>Principal</u>	<u>Term in years</u>	<u>Interest Rate</u>
September 16 2016	P 650,000,000	10	5.5%
December 5 2016	350,000,000	10	6.37%
December 16 2016	<u>1,000,000,000</u>	10	6.37%
	<u>P2,000,000,000</u>		

These 10 year corporate notes bear an interest rate based on the closing per annum rates of a ten (10) year PDSF-R2 rate on the PDS Group website plus a certain spread. The Parent Company has to maintain a debt to equity ratio of not more than 2:3 and a debt service coverage ratio of at least 1.1.

The notes, among other things, restrict the Parent Company's ability to

- f) Engage in any business or make or permit any material change in the character of its business from that authorized in its amended articles of incorporation and by laws;**
- f) Amend or alter its articles of incorporation and by laws which would cause a material adverse effect or be inconsistent with the provisions of the financial covenant;**
- f) Change of ownership and management if as a result the stockholdings of Citicoe Investments**

All of the three tranches of the second corporate bond remained outstanding with a carrying value of P1,900 million as at September 30, 2021 and December 31, 2020, respectively. The whole carrying amount is presented under non-current portion of notes payable.

under the Notes are current and updated and provided that any such payment is made out of retained earnings and the debt to equity ratio of 70/30 is maintained. Debt pertains to all interest bearing loans and borrowing;

- fL** sell, assign, lease, transfer, and/or dispose all or substantially all of its properties;
- fL** assign, transfer or otherwise convey any right to receive any of its income or revenues;
- fL** purchase or repurchase the indebtedness, or assume, guarantee, endorse, or otherwise become directly or contingently liable for or in connection with any payment (other than to its subsidiaries or affiliates, or financing or guarantees for the direct or indirect purchase or sale of the assets of Company, its subsidiaries or affiliates);

fL

Principal repayment date will start June 15, 2021 and every six months thereafter;

Deferral of interest payment incurred from September 15, 2020 to March 31, 2021, 19.97% of the accrued interest related to the period shall be paid in May 2021, the balance of 80.03% shall be paid on June 15, 2023 together with the interest accrued;

For interest incurred from March 31, 2021 to December 15, 2021, 37.12% of the accrued interest related to the period shall be paid monthly starting May 15, 2021 until December 15, 2021, the balance of 62.88% shall be paid on December 2023 together with the interest accrued;

Shareholder's loan extension (subordinated debt) totaling P600 million which shall be deposited in the Debt Service Reserve account on or before June 15, 2021; Changes in certain financial covenants: For debt to equity ratio, maintain a maximum debt to equity ratio of 75% for the period commencing on January 1, 2021 and ending on December 31, 2023 and 70% for the period commencing on January 1, 2024 and ending on the date on which all indebtedness under the financed covenants has been inexorably paid in full. For debt service coverage ratio, maintain a debt service coverage ratio at all times of at least 1.1x until the maturity date from the project completion date (other than during the period commencing on January 1, 2021 and ending on the date that the recovery conditions stated in sponsor's support section have been satisfied). Additional coverage ratio of at least 1.1x at all times during the period commencing on December 31, 2021 and ending on the date that the recovery conditions stated in the sponsor's support section have been satisfied, and Changes in the composition of retained earnings during the relief period of January 1, 2021 to December 31, 2023 taking into consideration the impact of deferred interest.

GMCAC's BOD authorized GMCAC to

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Events of default constitutes default on loan payment due and payable, except due to technical or administrative error; material misrepresentation, non-renewable violation of the covenants in the Loan Document; revocation of the project documents, cross default, failure to observe material obligations in the Project Documents or it becomes unlawful resulting to an material adverse effect; suspension in delivery, payment of debt or writ of garnishment; the assigned assets are substantially impaired or seized and any event resulting in a material adverse effect.

15 CONTRACT LIABILITIES

The significant changes in the contract liability balances during the reporting periods are as follows

Description	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Balance at beginning of period	P 4,588,980,101	P 4,981,269,957
Increased due to billings excluding amount recognized as revenue during the period	1,651,480,980	1,601,089,732
Advances received from customers	2,392,871,532	51,025,148
Revenue recognized that was included in contract liability at the beginning of the period	(2,798,816,802)	(2,100,977,550)
		2020
		into gain

Deferred revenue represents advance payments from customers and concessionaires that are subject to refund or future billing applications within 12 months from the end of the reporting period

Unearned income pertains to the difference between the fair value and principal amount of security deposits received at the inception of the lease with concessionaires, which shall be amortized over the corresponding lease term

Other undercurrent liabilities significantly include government-related payables for employee benefits

174 Trading Operation Revenues

The details of this account are composed of the revenues from

	<u>2021</u>		<u>2020</u>		<u>2019</u>
	(Unaudited)		(Unaudited)		(Unaudited)
Food revenues	P 900,941	P	395,685	P	131,297

183 Cost of Landport Operations

The details of this account for the nine months period ended September 30 are composed of the revenues from

		2021	2020	2019
		(Unaudited)	(Unaudited)	(Unaudited)
		As restated -	As restated -	As restated -
		see Note 21d	see Note 21d	see Note 21d
Cost of terminal operations	P	5679,991	P 9065,181	P 17000,136
Depreciation		16137,728	15802,836	-
Miscellaneous		909454	630300	-
		<u>P 20258,173</u>	<u>P 25088,300</u>	<u>P 17000,136</u>

184 Costs of Trading Operations

The following is the breakdown of cost of trading

		2021	2020	2019
		(Unaudited)	(Unaudited)	(Unaudited)
Cost of food	P	5888793	P 11,308,801	P 3390634
Cost of nonfood		161825	779259	2759496
Flight		39,780	33,777	25489
		<u>P 788883</u>	<u>P 1946800</u>	<u>P 61,76189</u>

	Shares			Amount		
	2021	2020	2019	2021	2020	2019
Preferred shares - P1 par value						
Authorized	15,000,000	12,400,000	7,000,000 P	15,000,000 P	12,400,000 P	7,000,000
Issued and outstanding						
Balance at beginning of year:						
Series 1	4,000,000	4,000,000	4,000,000 P	4,000,000 P	4,000,000 P	4,000,000
Series 2A	26,220,130	-	-	26,220,130	-	-
Series 2B	17,405,880	-	-	17,405,880	-	-
Series 3	3,375,000	-	-	3,375,000	-	-
Issued during the year:						
Series 2A	-	26,220,130	-	-	26,220,130	-
Series 2B	-	17,405,880	-	-	17,405,880	-
Series 3	1,625,000	3,375,000	-	1,625,000	3,375,000	-

The dividends on preferred shares bear cumulative nonparticipating cash dividends based on the issue price, payable quarterly in arrears every dividend payment date, at the fixed rate of 7.05% per annum from listing date

193 Treasury Shares

On July 20, 2016, the Parent Company's BOD approved the buy back of 4108 million

The summary of the Group's transactions with related parties for the nine months ended September 30, 2021 is as follows:

<u>Related Party Category</u>	<u>Notes</u>	<u>Amount of Transaction</u>	<u>Receivable (Payable)</u>	<u>Terms</u>	<u>Conditions</u>
Ultimate Parent Company- Cashgated	5,204	(P 5,192,998)	P 3,089,102,180	Interest bearing	Unsecured Unimpaired
Interest receivable	5,204	165,375,000	670,912,823	Ordinary Non-interest bearing	Unsecured Unimpaired
Shareholder: Revenue from services	5,171,201	29,633,609	89,573,266	Normal credit terms	Unsecured Unimpaired
Cashgated	5,204	-	757,143	Ordinary Non-interest bearing	Unsecured Unimpaired
Associate Revenue from services	5,171,201	-	1,114,795,597	Normal credit terms	Unsecured Unimpaired
Cashgated	5,204	(12,571,189)	29,634,786	Ordinary	Unsecured

The summary of the Group's transactions with related parties as for the nine months ended September 30, 2020 is as follows:

Related Party Category	Notes	Amount of Transaction	Outstanding Receivable (Payable)	Terms	Conditions
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The summary of the Group's transactions with related parties as of December 31, 2010 is as follows

<u>Related Party Category</u>	<u>Notes</u>	<u>Amount of Transaction</u>	<u>Receivable (Payable)</u>	<u>Terms</u>	<u>Conditions</u>
Ultimate Parent Company: Cahgantal	5, 204	P 1992388	P 308925108	Interest-bearing	Unsecured Unimpaired

205 Advances to and from Minority Shareholders

The minority shareholder's gated uninsured, non-tax-protected benefits to

21 EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share were computed as follows

2021	2020	2019
(Unaudited)	(Unaudited)	(Unaudited)

Exposure to foreign exchange rates vary during the period depending on the volume of foreign currency transactions

FIN - RISK MANAGEMENT

The Group's policy is to minimize interest rate cash flow risk exposures on long term financing. Long term borrowings are therefore usually made at fixed rates

The Group is exposed to changes in market rates through its cash in banks and short term placements which are subject to monthly repricing intervals and some short term working capital loans which are subject to variable interest rate. Any increase in finance costs due to changes in interest rates will be mitigated by the finance income on cash and cash equivalents and short term placements

252 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, such as the granting of loans and receivables to customers and related parties and placing deposits with local banks and investment in bonds and UHF.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the related assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements, as summarized below.

September 30

For contract assets, the Group has recognized an allowance for ECL amounting to P2882 million representing unbilled costs incurred by the Group and assessed to be not recoverable. No additional impairment losses on contract assets have been recognized in 2021 and 2020.

25.2 Credit Risk

The Group is exposed to credit risk on its investments in UITF, short-term commercial papers and trust fund. However, the Group has assessed that such risk is minimal since the counterparties are reputable listed leasing company and financial institutions with high quality external credit ratings.

25.3 Lease Liabilities

The Group is not exposed to any significant credit risk exposure to its lessors as lease agreements were executed with reputable entities. The Group can negotiate before the end of the lease term to apply deposit to rentals due.

25.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for six-month and one-year periods are identified monthly. The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

	Current		Non-current
	Within 6 Months	6 to 12 Months	1 to 10 Years
September 30, 2021 (Unaudited):			
Interest-bearing loans and borrowings	P 324,991,196	P 411,881,431	P 41,488,571,035
Trade and other payables	813,182,983	-	-
Security deposits (gross of unearned income)	-	-	47,445,176
	<u>P 842,181,179</u>	<u>P 411,881,431</u>	<u>P 41,930,627</u>
December 31, 2020 (Audited):			
Interest-bearing loans and borrowings	P 12,669,400,008	P 1,050,381,301	P 34,211,924,687
Trade and other payables	829,951,223	-	-
Security deposits (gross of unearned income)	-	-	43,587,591
	<u>P 20,991,401,226</u>	<u>P 1,050,381,301</u>	<u>P 34,676,512,278</u>

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

26 CATEGORIES, OFFSETTING AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

261 Carrying Amounts and Fair Values by Category

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

	<u>September 30, 2021 (Unaudited)</u>		<u>December 31, 2020 (Audited)</u>	
	<u>Carrying Values</u>	<u>Fair Values</u>	<u>Carrying Values</u>	<u>Fair Values</u>
<i>Financial Assets</i>				
At and at cost:				
Cash and cash equivalents	P 650,492.88	P 650,492.88	P 726,149.12	P 726,149.12
Trade and other receivables - net	16,405,542.77	16,405,542.77	15,224,568.88	15,224,568.88
Refundable security and bond deposits	20,864,167	20,864,167	19,529,159	19,529,159
Investment in trust fund	29,831,660	29,831,660	41,525,300	41,525,300
	<u>23,529,693.22</u>	<u>23,529,693.22</u>	<u>23,051,731.79</u>	<u>23,051,731.79</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest bearing loans and borrowings	P -	P -	P 459035307	P 459035307
Trade and other payables	-	-	829,951,223	829,951,223
Security deposits	-	-	461587591	461587591
	<u>P -</u>	<u>P -</u>	<u>P 5466904121</u>	<u>P 5466904121</u>

266 Fair Value Measurement for Investment Property Carried at Cost

The table below shows the fair value of the Group's investment property measured at cost but for which fair value is disclosed and determined under the Level 3 fair value hierarchy as of September 30, 2021 and December 31, 2020

	<u>September 30, 2021 (Unaudited)</u>	<u>December 31, 2020 (Audited)</u>
Building for lease	P 382,359,465	P 361,835,194
Land	<u>189,751,822</u>	<u>189,450,787</u>
	<u>P 569,111,307</u>	<u>P 548,785,981</u>

In estimating the fair value of investment property, management takes into account the

	<u>Bank Loans</u>	<u>Notes Payable</u>	<u>Lease Liabilities</u>	<u>Total</u>
Balance at January 1, 2010	P 3,425,681,981	P 852,989,980	P 474,310,703	P 4,752,912,677
Cash flows from financing activities				
Additional borrowings	623,300,000	300,000,000	-	983,300,000
Repayment of borrowings	(498,339,588)	(682,136,788)	(98,866,694)	(1,186,355,089)
Non-cash financing activities				
Unrealized loss on interest rates swap	433,670	-	-	433,670
Additional lease liabilities	-	-	157,183,988	157,183,988
Balance at December 31, 2010	P 3,796,906,083	P 530,791,232	P 532,667,977	P 4,990,365,307

MEGAWIDE CONSTRUCTION CORPORATION
AGING OF RECEIVABLES
as of September 30, 2021

Segment	General	1-30days	31-60days	61-90days	91-120days	121-150	151-180	Over 180days	Total
Construction	2,287,818,791	281,400,813	376,597,885	85,742,277	218,980,491	43,042,897	229,826,262	600,917,332	4,154,366,741
Airport	58,578,981	31,574,741							