



Solid Mega DC Perspective, Calamba Laguna

# SGI ANNUAL REPORT 2021

Solid Group Inc.

## TABLE OF CONTENTS

MESSAGE OF THE CEO	-----	01
PROPERTY & RELATED SERVICES	-----	02
DISTRIBUTION	-----	02
TECHNICAL SUPPORT & SOLUTIONS	-----	03
INVESTMENT & OTHERS	-----	03
PHOTO GALLERY	-----	04
BOARD OF DIRECTORS	-----	05
FINANCIAL HIGHLIGHTS	-----	06
FINANCIAL STATEMENTS	-----	07



# MESSAGE OF THE CEO

As the Philippine economy recovered from a deep contraction with GDP at -9.6 percent in 2020 to a positive 5.7 percent growth in 2021, our company's performance likewise improved significantly last year, with consolidated revenues up by 34% and net profit higher by three times the previous year.

Clearly, the government's vigorous nationwide vaccination drive against the global Covid-19 pandemic and the aggressive public spending in health, education as well as direct support or 'ayudas' through LGUs have accelerated the reopening of the economy, especially benefitting sectors such as transportation, tourism, restaurants, retail, fitness & entertainment. Also, tax restructuring from the Create Law improved corporate earnings and is expected to generate more investments and jobs.

Consolidated revenues for the year improved by 34% to Php 1.54 billion from Php 1.15 billion. Net profit reached a record high of Php 677 million in 2021. This was boosted by a non-recurring gain of Php 145 million in deferred tax liabilities as a result of Create Law's reduction in corporate income tax. As in previous years, fair value gains from investment properties augmented the year's after-tax earnings from Php 186 million in 2020 to Php 375 million in 2021.

Most of our company's businesses achieved much improved results in 2021. Noteworthy are the Property & Related Services segment including hotel operations and the Technical Support & Solutions companies, which have been the core drivers of earnings, contributing a 14% and 46% growth in each segment's revenue, respectively.

The Company's balance sheet and financial highlights for 2021 continue to show a strong capability to support future investment and growth initiatives, with total assets at Php 12.9 billion, current ratio at 11.8:1 and debt to equity ratio of 0.13:1. For more performance ratios and other financial data, as well as highlights on business segments, please refer to the full SGI annual report in the website.

Through a wholly owned subsidiary, our company has entered into an agreement with LF Logistics Philippines to build and develop a 10.5-hectare LEED accredited distribution facility which will be one of the largest of its class in Southeast Asia. Launched at the end of March 2022, this Solid LF flagship project with a budget of over Php 2 billion, will have a positive impact on our profitability and sustainability in the medium and long term, as well as provide significant community enhancement by way of job creation and an extensive infrastructure development which includes a massive culvert for flood prevention in the vicinity.

For 2022 and onwards, we will actively seek business opportunities to enhance asset returns as well as challenge each of our existing companies to not just aim for improved performance in operations, but go beyond KPIs. We need to pursue digitalization opportunities, to benchmark against industry leaders, to differentiate from competitors by creating real value, and to innovate beyond existing boundaries. On the other hand, we need to remain vigilant in risk management including ensuring checks and balances, governance compliance and business sustainability.

While the worst seems over with the Covid pandemic, greater challenges confront the Philippines, including a very large national debt of Php13 trillion, escalating fuel costs, the West Philippine Sea issue, the Russia-Ukraine war, global food security, rising interest rates and many more.

The newly elected government of President Ferdinand "Bongbong" Marcos, Jr. needs to achieve a steady economic growth rate through greater investments in strategic areas while generating greater tax revenues. Our economic managers and business leaders have expressed confidence in the country's ability to recover from this crisis. We wish our leaders success and look forward to all our people sharing in the benefits of a revitalized prosperous economy.

Finally, let me convey my sincere appreciation to the SGI community- our dedicated employees and management team, our business partners, corporate clients and customers, and of course to you our beloved shareholders for your continued trust and support. The sacrifices and tireless efforts shown by our employees to their respective organizations and to one another during the pandemic were truly inspiring. These have laid a strong foundation for us to rebuild with confidence and overcome new challenges.



Susan L. Tan  
CEO

## SOLID GROUP INC. Business Segment Listing

### Property & Related Services:

**Property Management:** Solid Manila Corporation, Precos Inc.

**Condo Operation:** Zen Towers Corporation,

**Hotel & Venue:** Green Sun Hotel Management Inc, Casa Bocobo Hotel Inc.

### Distribution

**Digital Mobile:** MySolid Technologies & Devices Corporation. (MyPhone),

**Modular Structure:** Solid Group Technologies Corporation. (MyHouse)

### Technical Support & Solutions

**After-Sales Service:** Solid Service Electronics Corporation,

**Logistics & Technical Services:** Omni Solid Services Inc.

**Broadcast & Professional Solutions:** Solid Video Corporation.

### Investments & Others

**Financing:** Solid Manila Finance Inc.

**Investing:** Solid Group Inc. MyApp Corporation, Fekon Solid Motorcycle Mfg Corporation.



# PROPERTY & RELATED SERVICES

**Revenue:** Php 255 million  
**Net Profit:** Php 706 million



PRS continued to be the main driver of the company in 2021 as net income climbed 198% to Php 706 million from Php 237 million in 2020 derived from increased quarantine-related hotel room rentals and improved leasing operations arising from the reopening of the economy with the easing of Covid restrictions, as well as from property fair value gains. Leasing operations expect further improvements in 2022 with the steady demand for commercial office and warehouse spaces. This business segment expects to contribute over Php 400 million in revenues in 2022.

Solid Manila Corporation's (SMC) performance in 2021 remained strong. Leasing revenue declined by 3% and reached Php 171 million from Php 178 million in 2020 as the company continued to extend discounts to some tenants in the year. Meanwhile, SMC had 136% in earnings growth, realizing a net income of Php 582 million, inclusive of significant fair value gains as well as a non-recurring gain of Php 169 million on deferred tax income from a lower tax rate accruing from the Create Law during the year.

In 2022, SMC renovation activities for leasing properties in some provincial areas which were put on hold during the pandemic will recommence. Also, a planned 5-story hotel building project in Dagupan is being re-evaluated for possible repurposing based on market demands. SMC is expected to contribute Php 215 million in revenue and Php 65 million in net income in 2022 excluding property fair value gains.

Zen Towers Corporation, a hi-rise residential and commercial condominium located in Manila, recognized a revenue of Php 42 million and profits of Php 23 million in 2021, a decline from Php 44 million in revenue and net profit of Php 28 million in 2020. This downtrend is due to vacancies on residential units as student tenants did not see the need to renew their lease as schools are still operating online. There were also some additional costs that were incurred for increased capitalization. Meanwhile, the proposed 14-storey Tower3 project intended for commercial and office lease with an estimated cost of Php 500 million has been postponed for review based on market conditions. Zen Towers expects to remain profitable from existing revenue streams (mainly rentals) estimated to reach Php 45 million in 2022.

Green Sun and Casa Bocobo hotels continued to provide covid-safe accommodations to returning and embarking overseas Filipino workers for their mandatory quarantine requirements throughout the year 2021. This resulted in an improved combined room occupancy from bookings of shipping and manning companies from 33% in 2020 to 58% in 2021. This improved occupancy together with streamlining in operations brought about a growth of 81% in revenues to reach Php 107 million from Php 59 million the previous year and more significantly, a dramatic rebound of 244% in net income, earning Php 46 million in 2021 from a Php 32 million net loss in 2020. With tourism looking generally optimistic, our hotel business aims to hit Php 145 million in combined revenues in 2022.

Precos, Inc, a wholly owned subsidiary of our company, has engaged in property development, having signed a 15-year build-to-lease agreement with LF Logistics Philippines for a 10.5 hectare mega logistics facility. The company has committed an investment of over Php 2 billion to the project, scheduled to be completed by mid of 2024. This flagship project, once completed, is expected to be a pillar of stability and sustainability in our property development business.

MySolid Technologies and Devices Corporation (MyPhone), handling MyPhone mobile business, continued to suffer losses in 2021 with net loss reaching Php 83 million including a non-cash loss of Php19.6 million from the derecognition of deferred tax assets on allowance for doubtful receivables. The increased revenue to Php 273 million from Php 173 million in 2020 was due to the withdrawal

## DISTRIBUTION

**REVENUE:** Php 317 million  
**NET LOSS:** Php 83 million



distributor which led MyPhone to take over the remaining stocks for sale to the local market. Sales in 2020 drastically reduced from 2019 and previous years due to the shift from direct distribution to partnering with key distributors/importers. The pandemic crisis in 2020 and 2021 exacerbated the difficult situation for local brands like Myphone, already struggling to compete with strong global brands who have better resources to cope with challenges in logistics and key component shortages worldwide.

Having undergone major corporate restructuring and downsizing of operations, MyPhone in 2022 will focus on tablet devices for institutional sales and basic feature phones for select territorial distributors. Revenues are projected at Php 205 million with break-even results. MyPhone will pursue revitalization through efficient operation, improved product line-up, and sourcing of new competitive categories based on market needs.



The MyHouse (SolidGroup Technologies Corporation) business recorded a 10% decline in revenue to Php 44 million in 2021 from Php 48 million in 2020 from reduced demand for modular units used as COVID-19 facilities and delayed implementation of various clients' projects. Net profit managed to stay positive at Php 283 thousand in 2021 from Php 7 million of the previous year despite incurring higher general and administrative expense involving additional personnel relating to a software integration project for security, facilities management and payroll applications. This software integration project is expected to provide complementary value to MyHouse projects as well.

For 2022, Myhouse expects a stronger performance and targets to generate over Php 100 million in revenue from the requirements for temporary housing for construction and infrastructure projects, tourism related housing, field offices for private and government use, food kiosks and pop up outlets, even for basketball courts and small warehouses.

## TECHNICAL SUPPORT & SOLUTIONS

**REVENUE:** Php 843 million  
**NET INCOME:** Php 89.6 million



The TSS segment remains to be a top performer year on year contributing Php 843 million in revenues and Php 89.6 million in net profit, up by 46% and 290% from 2020 revenues and net profit, respectively.

Omni Solid Services Inc. (OMNI) grew 10% to Php 376 million in revenue and 24% to Php 62 million in net income in 2021 driven by an increased activity from their key clients' higher demand in the distribution of various consumer durables as well as improved performance of its other operating units ranging from warehouse management, television assembly, space rental, appliance sales, and the DOE accredited testing laboratory for electronics products such as led televisions, refrigerators, air conditioners and even small household appliances like rice cookers and electric fans. 2022 is expected to be another productive and profitable year targeting Php 430 million in revenue with corresponding improved earnings.

Solid Video Corporation (SVC) evolved its operations in 2021, responding to the changing market realities in the field of broadcast and professional equipment and services. Despite the franchise cancellation of one of its key accounts and shortages in product availability of suppliers including Sony, it generated revenues of Php 316 million, significantly higher by 172% from Php 116 million in the prior year. It also recorded a 235% increase in net profit of Php 23 million from net loss of Php 17 million in 2020. For 2022, SVC is targeting Php 250 million in revenue through the continued sale of medical supplies and equipment for hospitals, communication products for e-learning platforms, sales and service support to the broadcast industry and production houses, audio visual facilities for schools, corporate and government institutions as well as enhanced after-sales and technical support activities. It also aims to market new brands and categories to supplement its current portfolio.

SolidService Electronics Corporation (SolidService), the authorized service center network of Sony Philippines recorded a 25% growth in revenue of Php 146 million from Php 117 million in the year 2020 which was severely affected by the pandemic. This was delivered by the greater volume of both in-warranty and out-warranty repairs. It gained a net profit of Php 4.6 million from a net loss of Php 3 million in 2020 as more provincial branches were able to resume services to dealers and consumers. In May 2022, SolidService became the official after-sales service provider of set-up boxes of broadcaster GMA. Moreover, it aims to strengthen its aircon maintenance business which it started in 2019 but was hampered by the pandemic. It is targeting to generate a revenue of Php 180 million in 2022, exceeding its pre-pandemic level of Php 173 million in 2019.

This segment realized a revenue of Php277 million inclusive of dividends from subsidiaries, down by 26% from 2020 with revenue of Php 374 million (from Php 273 million in 2019) brought about by lower dividends from the subsidiaries of Php 135 million from Php 200 million in 2020 (versus Php 65 million in 2019).

Interest income also declined, brought about by lower interest rates despite bigger time deposit placements. Nonetheless, the segment's net income slightly improved to Php 181 million in 2021 from Php 178 million in 2020 (from Php 107 million in 2019) from updated improved returns on investment in insurance.

Meanwhile, Solid Manila Finance Inc.(SMFI) in 2021 managed to stay positive in earnings although net income dropped by 70% due to some collection setbacks from some of its clients affected by the pandemic. SMFI expects to normalize collection and improve operations in 2022.

Also, Fekon Solid Motorcycle Manufacturing Corporation (FEKON), an associate company we have invested in, has obtained BOI registration in October 2021 and is expected to contribute positive results in the near future as its facilities for manufacturing are optimized as well as the systems for sales and collection as well as technical support and customer care are continuously improved.

## INVESTMENTS & OTHERS

**Revenue:** Php 277 million  
**Net Profit:** Php 181 million





# ADAPTING TO THE NEW NORMAL



Green Sun & Casa Bocobo Hotels welcoming back local tourists



LTO 4D Theatre Project integrated by Solid Video



OMNI facilities' expansion for testing lab & production assembly,



Various Modular MyHouse Projects



**SOLID LF PROJECT** (From left to right): Architectural Rendering Facility, Contract Signing Ceremony last March 30, Bird's Eye View of Land Development Works & Box Culvert Construction



The First Face to Face Company Team Building Activity since the start of the COVID-19 Lockdowns



SolidService electronic product repairs and AC installation



Employees' Covid-19 Booster Shot & Random Antigen Test Programs



## BOARD OF DIRECTORS



**JASON S. LIM**  
Chairman of the Board



**SUSAN L. TAN**  
President & CEO



**DAVID S. LIM**  
EVP & CSO, Director



**VINCENT S. LIM**  
SVP & CFO, Director



**BEDA T. MAÑALAC**  
SVP, Director



**JONATHAN C. LIM**  
VP, DPO, Director



**KEVIN L. TAN**  
VP, Director



**RAFAEL F. SIMPAÓ, JR.**  
Independent Director



**SIEGFRED B. MISON**  
Independent Director

## CORPORATE OFFICERS



From Left to Right: **ATTY. ROBERT V. SAN JOSE** | Corporate Secretary, **ATTY. ANA MARIA A. KATIGBAK-LIM** | Asst. Corporate Secretary, **LITA L. JOAQUIN** | SVP & Treasurer, **MELINE T. CORPUZ** | SVP & Chief Accounting Officer, **CHRISTOPHER JAMES L. TAN** | VP for New Investments, **JOSEPHINE T. SANTIAGO** | VP & Chief Information Officer, **ERICSON B. SALVADOR** | VP & Chief Audit Executive, **ANNABELLA S. OBRE** | AVP for Accounting

## EXECUTIVE OFFICERS



**ABBE L. DAZA**  
President, Omni Solid Services Inc.



**JONATHAN C. LIM**  
President, Solid Manila Corporation



**KEVIN MICHAEL L. TAN**  
VP, MySolid Technologies Corp.



**BEDA T. MAÑALAC**  
President, SolidGroup Technologies Corp.



**RUDOLPH M. PANLILO**  
VP, MyHouse Modular Systems



**JOJI H. TAN**  
President, SolidService Electronics Corp.



**LITA L. JOAQUIN**  
GM, Solid Manila Finance, Inc.



**MICHELLE MAY C. LIM**  
VP, Hotel Operations



**CHRISTOPHER JAMES L. TAN**  
President, Solid Video Corp.

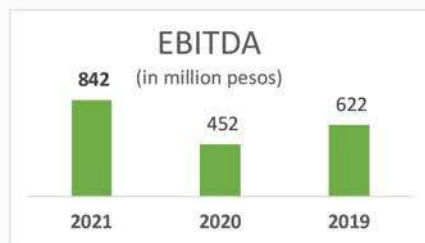


**EDVIM S. COTONER**  
Technical Head, Solid LF Project

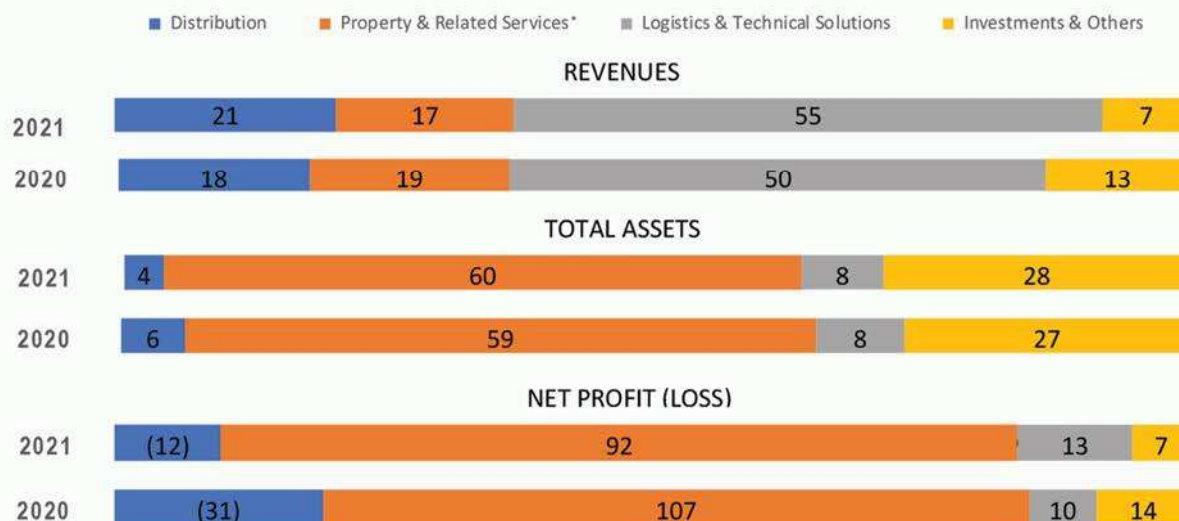
# FINANCIAL HIGHLIGHTS

Financial Position in billion pesos	2021	2020	2019
Total Assets	12.99	12.30	12.12
Total Liabilities	1.45	1.44	1.48
Total Equity	11.53	10.86	10.64
Total Equity-Parent	11.20	10.49	10.28

Cash Activities & Position in million pesos	2021	2020	2019
Net Cash Used In			
Operating Activities	1,814.0	(1,317.1)	1,160.9
Investing Activities	28.7	(1,191.2)	41.8
Financing Activities	(45.0)	(72.9)	(171.7)
Cash & Cash Equivalents	2,749.8	918.3	3,491.0
Short Term Placement	1,702.5	3,326.5	762.4



## PERCENTAGE SHARE OF BUSINESS SEGMENT



\*Property & Related Services segment's net profit includes fair value gains on investment property & 2021 income tax adjustment from the Create Law.



**SOLID GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**  
*(Amounts in Philippine Pesos)*

	Notes	2021	2020 (As Restated – see Note 2)
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	P 2,749,788,562	P 918,335,159
Short-term placements	5	1,702,458,454	3,326,476,937
Trade and other receivables - net	6	327,047,374	315,156,350
Advances to related parties	25	2,386,851	3,386,851
Merchandise inventories and supplies - net	8	124,880,881	198,355,670
Real estate inventories - net	9	437,787,335	437,128,195
Other current assets - net	13	237,055,863	351,459,204
Total Current Assets		5,581,405,320	5,550,298,366
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables - net	6	838,536,028	750,895,379
Financial assets at fair value through other comprehensive income	7	27,400,000	24,100,000
Investment in an associate	7	76,512,000	18,185,600
Investment in bonds	7	20,000,000	-
Property and equipment - net	11	1,626,508,328	1,680,005,586
Investment properties - net	12	4,638,814,250	4,035,019,552
Right-of-use assets - net	10	5,673,637	9,549,297
Post-employment benefit asset - net	21	131,951,617	138,381,533
Deferred tax assets - net	22	12,090,214	70,838,052
Other non-current assets - net	13	26,279,062	26,471,792
Total Non-current Assets		7,403,765,136	6,753,446,791
<b>TOTAL ASSETS</b>		<b>P 12,985,170,456</b>	<b>P 12,303,745,157</b>



	Notes	2021	2020
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	P 455,481,732	P 397,195,540
Customers' deposits	2	10,366,460	15,717,370
Lease liabilities	10	3,711,489	4,150,895
Advances from related parties	25	1,881,570	1,881,570
Income tax payable		<u>1,072,680</u>	<u>4,620,256</u>
Total Current Liabilities		<u>472,513,931</u>	<u>423,565,631</u>
<b>NON-CURRENT LIABILITIES</b>			
Refundable deposits	16	26,244,550	28,889,217
Lease liabilities	10	2,878,860	6,370,471
Post-employment benefit obligation	21	19,793,584	27,595,698
Deferred tax liabilities - net	22	<u>930,548,205</u>	<u>961,012,498</u>
Total Non-current Liabilities		<u>979,465,199</u>	<u>1,023,867,884</u>
Total Liabilities		<u>1,451,979,130</u>	<u>1,447,433,515</u>
<b>EQUITY</b>			
Attributable to the Parent Company's stockholders			
Capital stock	23	2,030,975,000	2,030,975,000
Additional paid-in capital	2	4,641,701,922	4,641,701,922
Treasury shares - at cost	23	( 115,614,380 )	( 115,614,380 )
Revaluation reserves - net	23	50,287,013	10,921,262
Retained earnings	23	<u>4,587,923,980</u>	<u>3,921,769,622</u>
Total equity attributable to the Parent Company's stockholders		11,195,273,535	10,489,753,426
Non-controlling interests	2, 23	<u>337,917,791</u>	<u>366,558,216</u>
Total Equity		<u>11,533,191,326</u>	<u>10,856,311,642</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>P 12,985,170,456</u>	<u>P 12,303,745,157</u>



**SOLID GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019**  
*(Amounts in Philippine Pesos)*

	Notes	2021	2020 (As Restated – see Note 2)	2019 (As Restated – see Note 2)
<b>REVENUES</b>				
Rendering of services	4, 25, 26	P 676,223,209	P 572,131,442	P 1,002,844,613
Sale of goods	2, 4, 25	595,189,618	276,666,679	1,260,257,164
Rentals	4, 12, 25, 27	240,777,116	242,738,137	250,909,722
Interest	6, 7, 25	26,869,721	60,496,080	96,722,916
Sale of real estate	2, 4	892,857	-	7,434,374
		<u>1,539,952,521</u>	<u>1,152,032,338</u>	<u>2,618,168,789</u>
<b>COSTS OF SERVICES, SALES, RENTALS AND REAL ESTATE SALES</b>				
Cost of services	17, 18	508,324,310	442,230,852	717,825,559
Cost of sales		494,517,506	245,864,891	1,177,968,051
Cost of rentals		66,528,808	64,992,451	97,799,308
Cost of real estate sales		434,180	-	3,796,170
		<u>1,069,804,804</u>	<u>753,088,194</u>	<u>1,997,389,088</u>
<b>GROSS PROFIT</b>		<u>470,147,717</u>	<u>398,944,144</u>	<u>620,779,701</u>
<b>OTHER OPERATING EXPENSES (INCOME)</b>				
General and administrative expenses	18	317,581,180	327,095,389	396,355,760
Selling and distribution costs	18	44,267,297	53,906,050	172,967,211
Other operating income - net	19	( 553,169,725 )	( 308,408,291 )	( 333,405,776 )
		<u>( 191,321,248 )</u>	<u>72,593,148</u>	<u>235,917,195</u>
<b>OPERATING PROFIT</b>		<u>661,468,965</u>	<u>326,350,996</u>	<u>384,862,506</u>
<b>OTHER INCOME (CHARGES) – Net</b>				
Finance income	20	81,961,223	71,213,295	142,997,466
Finance costs		( 2,691,280 )	( 41,876,289 )	( 28,113,872 )
Other gains - net		14,704,501	7,401,516	13,034,255
		<u>93,974,444</u>	<u>36,738,522</u>	<u>127,917,849</u>
<b>PROFIT BEFORE TAX</b>		<u>755,443,409</u>	<u>363,089,518</u>	<u>512,780,355</u>
<b>TAX EXPENSE</b>	22	77,854,004	140,033,795	286,215,361
<b>NET PROFIT</b>		<u>P 677,589,405</u>	<u>P 223,055,723</u>	<u>P 226,564,994</u>
<b>Net profit attributable to the:</b>				
Parent Company's stockholders	24	P 666,154,358	P 220,149,500	P 216,338,757
Non-controlling interests		11,435,047	2,906,223	10,226,237
		<u>P 677,589,405</u>	<u>P 223,055,723</u>	<u>P 226,564,994</u>
<b>Basic and diluted earnings per share attributable to the</b>				
Parent Company's stockholders	24	<u>P 0.37</u>	<u>P 0.12</u>	<u>P 0.12</u>



SOLID GROUP INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019  
*(Amounts in Philippine Pesos)*

	Notes	2021	2020	2019
<b>NET PROFIT</b>		<b>P 677,589,405</b>	<b>P 223,055,723</b>	<b>P 226,564,994</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Items that will be reclassified subsequently to profit or loss –				
Currency exchange differences on translating financial statements of foreign operations	2, 23	29,777,985	( 24,134,481 )	( 17,022,948 )
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of post-employment defined benefit plan	21, 23	2,277,975	25,613,280	( 8,008,561 )
Fair value gains (losses) on financial assets at fair value through other comprehensive income	7, 23	3,300,000	( 2,000,000 )	( 1,000,000 )
Tax income (expense)	22, 23	4,009,791	( 7,102,717 )	2,351,534
		9,587,766	16,510,563	( 6,657,027 )
Other comprehensive income (loss) – net of tax		39,365,751	( 7,623,918 )	( 23,679,975 )
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P 716,955,156</b>	<b>P 215,431,805</b>	<b>P 202,885,019</b>
<b>Total comprehensive income attributable to:</b>				
Parent Company's stockholders		P 705,520,109	P 212,525,582	P 192,658,782
Non-controlling interests		11,435,047	2,906,223	10,226,237
		<b>P 716,955,156</b>	<b>P 215,431,805</b>	<b>P 202,885,019</b>



**SOLID GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019**  
*(Amounts in Philippine Pesos)*

		Attributable to the Parent Company's Stockholders							
Note	Capital Stock	Additional Paid-in Capital	Treasury Shares - at Cost	Revaluation Reserves	Retained Earnings	Total	Non-controlling Interests	Total Equity	
	P 2,030,975,000	P 4,641,701,922	(P 115,614,380)	P 10,921,262	P 3,921,769,622	P 10,489,753,426	P 366,558,216	P 10,856,311,642	
23	-	-	-	-	-	-	(40,075,472)	(40,075,472)	
	-	-	-	39,365,751	666,154,358	705,520,109	11,435,047	716,955,156	
<b>Balance at January 1, 2021</b>	<b>P 2,030,975,000</b>	<b>P 4,641,701,922</b>	<b>(P 115,614,380)</b>	<b>P 50,287,013</b>	<b>P 4,587,923,980</b>	<b>P 11,195,273,535</b>	<b>P 337,917,791</b>	<b>P 11,533,191,326</b>	
<b>Dividends declared</b>									
<b>Total comprehensive income for the year</b>									
	P 2,030,975,000	P 4,641,701,922	(P 115,614,380)	P 18,545,180	P 3,701,620,122	P 10,277,227,844	P 363,651,993	P 10,640,879,837	
	-	-	-	(7,623,918)	220,149,500	212,525,582	2,906,223	215,431,805	
<b>Balance at December 31, 2020</b>	<b>P 2,030,975,000</b>	<b>P 4,641,701,922</b>	<b>(P 115,614,380)</b>	<b>P 10,921,262</b>	<b>P 3,921,769,622</b>	<b>P 10,489,753,426</b>	<b>P 366,558,216</b>	<b>P 10,856,311,642</b>	
<b>Dividends declared</b>									
<b>Total comprehensive income (loss) for the year</b>									
	P 2,030,975,000	P 4,641,701,922	(P 115,614,380)	P 42,225,155	P 3,594,573,885	P 10,193,861,582	P 353,425,756	P 10,547,287,338	
	-	-	-	-	(109,292,520)	(109,292,520)	-	(109,292,520)	
<b>Balance at January 1, 2019</b>	<b>P 2,030,975,000</b>	<b>P 4,641,701,922</b>	<b>(P 115,614,380)</b>	<b>(P 23,679,975)</b>	<b>216,338,757</b>	<b>192,658,782</b>	<b>10,236,237</b>	<b>202,885,019</b>	
<b>Dividends declared</b>									
<b>Total comprehensive income (loss) for the year</b>									
	P 2,030,975,000	P 4,641,701,922	(P 115,614,380)	P 18,545,180	P 3,701,620,122	P 10,277,227,844	P 363,651,993	P 10,640,879,837	

**SOLID GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019**  
*(Amounts in Philippine Pesos)*

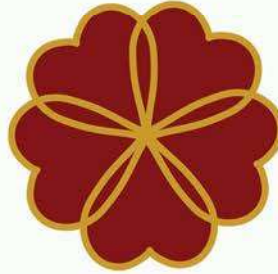
	Notes	2021	2020 (As Restated – see Note 2)	2019 (As Restated – see Note 2)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax		P 755,443,409	P 363,089,518	P 512,780,355
Adjustments for:				
Fair value gains on investment property - net	12	( 500,949,401 )	( 265,736,169 )	( 277,777,788 )
Depreciation and amortization	10, 11, 13	86,391,426	87,662,078	105,965,285
Interest income	5, 6, 7, 13, 21, 25	( 49,707,909 )	( 113,841,478 )	( 209,724,387 )
Unrealized foreign currency exchange losses (gains) - net		( 13,901,755 )	22,460,766	14,298,162
Interest expense	10, 16, 21	4,843,892	8,376,424	11,195,639
Gain on derecognition of liabilities	15	( 3,519,420 )	-	( 2,913,521 )
Gain on sale of property and equipment	11	( 1,410,329 )	( 1,605,486 )	( 482,899 )
Derecognition of cancelled project	12	109,929	-	-
Impairment loss on input value-added tax	13	33,579	-	-
Impairment loss on land and land development costs	9	-	644,800	-
Impairment loss on intangible assets	13	-	272,127	-
Gain on reversal of a provision	9	-	( 125,000 )	-
Loss on derecognition of property and equipment	11	-	-	9,860,674
Gain on discounting of refundable deposits	16	-	-	( 225,755 )
Operating profit before working capital changes		277,333,421	101,197,580	162,975,765
Decrease (increase) in short-term placements		1,401,386,020	( 1,443,636,516 )	7,433,671
Decrease (increase) in trade and other receivables		( 103,806,328 )	258,536,084	237,641,773
Decrease in advances to related parties		1,000,000	5,661,017	397,788
Decrease (increase) in merchandise inventories and supplies		73,474,789	( 39,263,072 )	605,613,854
Increase in real estate inventories		( 692,719 )	( 803,571 )	( 592,223 )
Decrease (increase) in other current assets		117,345,031	( 135,537,281 )	45,588,532
Decrease (increase) in post-employment benefit asset		7,463,860	( 2,424,329 )	24,283,722
Decrease (increase) in other non-current assets		160,314	( 3,411,528 )	98,323,992
Increase (decrease) in trade and other payables		72,104,549	( 56,410,637 )	15,622,601
Increase (decrease) in customers' deposits		( 5,350,910 )	2,985,721	( 2,843,212 )
Increase (decrease) in refundable deposits		( 3,299,577 )	4,201,839	( 7,049,403 )
Increase (decrease) in post-employment benefit obligation		( 2,229,461 )	9,823,207	( 13,218,762 )
Cash generated from (used in) operations		1,834,888,989	( 1,299,081,486 )	1,174,178,098
Interest received		31,167,032	57,298,774	96,722,916
Cash paid for income taxes		( 52,049,934 )	( 75,282,009 )	( 109,986,210 )
<b>Net Cash From (Used in) Operating Activities</b>		<b>1,814,006,087</b>	<b>( 1,317,064,721 )</b>	<b>1,160,914,804</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Maturity of short-term placements	5	1,141,324,734	20,929,884	57,164,165
Additions to short-term placements	5	( 918,692,271 )	( 1,141,324,734 )	( 20,929,884 )
Acquisitions of investment property	12	( 110,515,004 )	( 29,160,720 )	( 55,367,255 )
Additional investments in an associate	7	( 58,326,400 )	( 18,185,600 )	-
Acquisitions of property and equipment	11	( 28,298,018 )	( 70,135,750 )	( 43,655,417 )
Investment in bonds	7	( 20,000,000 )	-	-
Interest received		14,457,615	42,995,080	99,318,791
Proceeds from disposal of property and equipment	11	8,209,869	3,688,141	5,301,779
Refund of payment from construction-in-progress (CIP)	12	500,000	-	-
<b>Net Cash From (Used in) Investing Activities</b>		<b>28,660,525</b>	<b>( 1,191,193,699 )</b>	<b>41,832,179</b>
<i>Balance forwarded</i>		<b>P 1,842,666,612</b>	<b>( P 2,508,258,420 )</b>	<b>P 1,202,746,983</b>



	Notes	2021	2020 (As Restated – see Note 2)	2019 (As Restated – see Note 2)
<i>Balance carried forward</i>		<u>P 1,842,666,612</u>	<u>( P 2,508,258,420 )</u>	<u>P 1,202,746,983</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid	23	( 40,075,472 )	-	( 109,292,520 )
Repayment of lease liabilities	10	( 4,955,272 )	( 5,665,839 )	( 6,667,763 )
Repayment of interest-bearing loans	14	-	( 64,329,907 )	( 55,781,712 )
Interest paid for interest-bearing loans	14	-	( 2,938,026 )	( 2,332 )
Cash Used in Financing Activities		<u>( 45,030,744 )</u>	<u>( 72,933,772 )</u>	<u>( 171,744,327 )</u>
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		<u>33,817,535</u>	<u>8,493,085</u>	<u>4,567,199</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,831,453,403</b>	<b>( 2,572,699,107 )</b>	<b>1,035,569,855</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<u><b>918,335,159</b></u>	<u><b>3,491,034,266</b></u>	<u><b>2,455,464,411</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<u><b>P 2,749,788,562</b></u>	<u><b>P 918,335,159</b></u>	<u><b>P 3,491,034,266</b></u>

**Supplemental Information on Non-cash Investing and Financing Activities:**

1. The Group recognized additional right-of-use asset and lease liability amounting to P0.4 million and P5.7 million in 2021 and 2019, respectively. Also, in 2019, the Group recognized right-of-use assets and lease liabilities amounting to P15.3 million upon the adoption of Philippine Financial Reporting Standards 16, *Leases* (see Note 10).
2. In 2021, the Group transferred certain investment properties with a carrying amount of P7.1 million to property and equipment (see Notes 11 and 12). There was no similar transaction in 2020 and 2019.



# SOLID GROUP INC.

## INVESTOR RELATIONS

### **INDEPENDENT AUDITORS**

**PUNONGBAYAN & ARAULLO**

19th & 20th Floors, Tower 1  
The Enterprise Center, 6766 Ayala Avenue  
Makati City Philippines.  
Telephone: (632) 8988-2288  
Website: [www.grantthornton.com.ph](http://www.grantthornton.com.ph)

### **INVESTOR INQUIRIES**

**SGI CORPORATE INFORMATION OFFICE**  
2285 Green Sun, Chino Roces Avenue  
Makati City Philippines  
Telephone: (632) 8843-1511 loc.8822  
Email: [info@solidgroup.com.ph](mailto:info@solidgroup.com.ph)  
Website: [www.solidgroup.com.ph](http://www.solidgroup.com.ph)

### **TRANSFER AGENTS**

**STOCK TRANSFER SERVICES INC.**  
34th floor, Unit D Rufino Pacific Tower  
6784 Ayala Avenue, Makati City Philippines  
Telephone: (632) 8403-2410 / 8403-2414  
Email: [rdregala@stocktransfer.com.ph](mailto:rdregala@stocktransfer.com.ph)  
[rcrevelar@stocktransfer.com.ph](mailto:rcrevelar@stocktransfer.com.ph)

### **LEGAL COUNSEL**

**CASTILLO LAMAN TAN PANTALEON  
& SAN JOSE.**  
122 Valero Street, Salcedo Village  
Makati Philippines.  
Telephone: (632) 8817-6791 / 8810-4371  
Email: [counsel@cltpsj.com.ph](mailto:counsel@cltpsj.com.ph)