



MAERSK MEGA LOGISTICS FACILITY IN PARTNERSHIP WITH PRECOS INC, CALAMBA LAGUNA

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MESSAGE OF THE CEO



As we reflect on the significant strides our company has made over the past year, I am pleased to share our company's performance for the Financial Year 2023 as well as our directions for 2024.

The Philippine economy had a GDP growth rate of 5.6% in 2023, outpacing major economies in Asia such as China, Vietnam, and Malaysia. This impressive economic performance boosted by both government and private sector investments in infrastructure and social services has provided a strong foundation for our business operations to flourish, despite global economic slowdown and geopolitical uncertainties.

For Solid Group Inc. (SGI), 2023 has been a year of progress and innovation. We achieved a significant growth of 51% in consolidated revenues, reaching ₱2.47 billion from ₱1.64 billion in 2022. Net profit increased by 24% to ₱531 million compared to ₱429 million in 2022. As in previous years, property and related services led by Solid Manila Corporation provided the largest share of profitability at 62% inclusive of fair value gains from investment property amounting to ₱296 million.

Omni Solid Services Inc. kept its momentum in logistics and technical solutions to contribute 25% of consolidated net income. Avid Sales Corporation (AVID), primarily engaged in retail of electronics, boosted consolidated performance by posting ₱895 million in revenue in its first full year in SGI. Meanwhile, Green Sun, our HQ building proceeded with its renovation to upgrade facilities and enhance leasing potential while Precos, Inc. went into full swing in the construction of the mega built-to-suit warehouse complex in Calamba Laguna.

Our achievement is a testament to the hard work of our employees and management with good guidance from our independent directors. Together, we have capitalized on post pandemic opportunities in the vital sectors of property management, logistics, and technology-based products and solutions.

Global Geopolitical Tensions and Economic Challenges

Ongoing wars in Ukraine, in the Middle East with Israel and Gaza, and closer to home the escalating Philippine-China situation in the West Philippine Sea are compounding macroeconomic challenges such as supply chain disruptions, energy and food security, currency and interest rate fluctuations. Despite these hurdles and domestic political issues, the Philippine government and business leaders remain optimistic projecting 6% GDP growth, propelled by sound economic policy and steady OFW remittances. In this context, our company SGI pursues strategic initiatives with robust risk management to navigate effectively amidst tough competition and challenging realities. Our commitment to good governance and sustainable growth is more crucial than ever.

Landmark Project and Segment Highlights

The Solid Mega Logistics Facility project under Precos Inc. slated for turnover in Q3 of 2024, is set to redefine our company's real estate footprint beyond our borders. Customized for our partner Maersk Philippines, this landmark project is a ₱3 billion state-of-the-art, 10.5-hectare LEED-accredited logistics distribution center that will enhance capability to meet the highest global standards towards excellent operations with significant contribution to environmental and social sustainability. It will provide meaningful job opportunities, skills development for quality output, efficient systems for cost efficiency as well as deliver environmental sustainability by way of the massive culvert for the prevention of flooding in the vicinity and neighboring communities.

In 2023, we also saw notable advancements across various segments:

o **Property & Related Services:** Despite a slight decline in revenue, this segment led by Solid Manila Corporation, improved net income to ₱332 million with fair value gains. Zen Towers Corporation, a condominium in Ermita, Manila achieved a record high occupancy on both residential and commercial units for lease. Casa Bocobo Hotel managed to improve its profitability through value added services.

o Logistics and Technical Support: This segment's revenue reached ₱727 million in 2023 and achieved a remarkable 35% increase in net income from higher volume of transactions of Omni Solid Services Inc. SolidService Electronics Corporation continued to diversify from its Sony-centric repair to other brands, focusing on air-conditioning services for future growth.

o Distribution & Retail: Revenue grew by 141% to ₱1.3 billion primarily retail sales, institutional and e-commerce online platform who delivered P895 million in revenue and contributed to the company's portfolio. Avid Sales Corporation delivered ₱895 million in revenue and contributed a multi-channel retail, institutional and e-commerce online selling platform to the company's portfolio. Notably, Solid Video Corporation's revenue grew by 24% to ₱281 million, highlighted by an integration project for TESDA and sales of high-end medical and video production equipment.

o Investment and Others: This segment posted 6% growth for ₱396 million in revenue from higher interest earned and improved dividends from subsidiaries. Moreover, SGI's healthy cash flow has allowed for the provision of consistent dividend returns to our stockholders.


Future Outlook

As we look ahead, our commitment remains unwavering. SGI's key financial highlights in 2023 are indicative of stronger performance in the years ahead. We will continue to fortify our existing businesses and explore new avenues for expansion. Emphasizing innovation, digitalization and sustainability, we will be resilient to changes in the market, differentiate from competitors to deliver superior customer service, and benchmark within the industry for greater efficiency and productivity. Along with safeguarding our assets, we will focus on improving asset returns. Within the next five years, with existing and new businesses, we target to double consolidated revenue and net income as well as return on equity, thereby delivering much greater benefit to all our stakeholders.

Appreciation to SGI Family

To the entire SGI family – dedicated employees, management team and independent directors, business partners, clients, customers, and esteemed shareholders – my deepest gratitude for your continued trust and confidence. Your collective effort and steadfast support are the cornerstone of our success. I take this opportunity to thank our founders, Atty. Elena Lim & Mr. Joseph Lim who continue to inspire and guide us.

Together, let us continue this exciting to a brighter future by forging ahead to new heights in performance excellence and good governance, abiding by our core values, and fulfilling our vision of Improving Filipino Lives, contributing to our communities and our country, for the glory of God.



Susan L. Tan
CEO

PROPERTY & RELATED SERVICES

Property & Related Services revenue from external customers slightly declined to ₱263 million in 2023 from ₱270 million in 2022 (₱255 million in 2021) principally from leasing operations. While this segment accounted for 11% of the company's consolidated revenues in 2023, it nevertheless delivered notable achievement in net income of ₱332 million from ₱258 million in 2022 attributed mainly to higher fair value gains.

From mainly leasing operations, Solid Manila Corporation (SMC) delivered minimal revenue growth of ₱203 million in 2023 from ₱198 million in 2022 (₱199 million in 2021). Similarly, net income was stable at ₱353 million from ₱351 million inclusive of fair value gains. Its ongoing construction project is the renovation and upgrade of Green Sun, our corporate headquarters building to accommodate new tenants



Green Sun Renovation Project



Progress Photos of the Facade of the Maersk Mega Dc



The Mega DC will feature 75 loading docks across the facility.



The LEED accreditation will ensure environmental sustainability

with innovative concepts. Another project for 2024-2025 is the development of a four-story commercial building in Dagupan City for lease. SMC foresees net revenues of ₱240 million and ₱150 Million in net profit from operations in 2024.

Zen Towers Corporation recognized revenue of ₱51million in 2023 from ₱44 million in 2022 (₱42 million in 2021) due to improved occupancy of its residential units. This resulted in higher net income of ₱24 million from ₱19 million in 2022 (₱23 million in 2021). The Zen Tower 3 project intended for commercial lease was pushed back for re-evaluation of market potentials in the area. Focus in 2024 will be on improving facilities and creating more value to encourage customer retention for residential units while increasing occupancy with long term commercial clients. Projected growth is 12% with revenue of ₱57 million and net income of ₱27 million.

Green Sun and Casa Bocobo hotels in 2023 posted a decline in its combined revenue at ₱93 million from ₱109 million in 2022 (₱108 million in 2021) due to renovations of Green Sun and shorter hotel stay of guests compared to previous pandemic quarantine stays in 2021 and 2022. Net profit of ₱12 million was mainly from Casa Bocobo Hotel operations as Green Sun hotel incurred a minimal loss. Both hotels are expecting positive results in 2024.

Precos Inc.'s development of the 10.5-hectare 3 billion LEED-accredited distribution facility in Calamba, Laguna is expected to be completed by mid of 2024 for turnover to client Maersk Philippines within the third quarter. This built-to-suit Maersk logistics complex is an important landmark for SGI in terms of the Company's overall medium and long-term growth and sustainability. To support the local community Precos Inc. also invested in the strengthening of an existing bridge, a corner expansion along the main road for better traffic flow and a massive culvert for flood prevention in the vicinity.

The Property & Related Services segment projects ₱370 million in revenues in 2024.

LOGISTICS & TECHNICAL SOLUTIONS

Logistics and technical solutions segment maintained its position as the key player year by year as it recognized a 9% revenue improvement to ₱727 million from ₱665 million the previous year (₱531 million in 2021) and net income leap by 35% to ₱142 million from ₱105 million the preceding year principally due to the higher volume of transactions across all services provided during the year.

Omni Solid Services Inc. (OMNI) climbed in net income to ₱135 million from ₱100 million in 2022 supported by a revenue hike of 13% to reach ₱586 million in 2023 compared to ₱518 million in the previous year, consistent with its remarkable performance in all its operating business units namely logistics, assembly, warehousing, testlab services and factory outlet sales. In 2024, it will expand its fleet of delivery vehicles and procure additional production equipment to boost its output in assembly and laboratory service, besides continuing intensive manpower training in order to achieve its projected revenue and income targets in the highly competitive environment.

SolidService Electronics Corporation's (SolidService) revenue marginally went down by 3% to ₱147 million from ₱152 million in 2022 because of industry downward trend in electronics repair due to high cost and unavailability of spare parts, as well as changing customer behavior of opting for replacement and upgrade rather than repair. Net income grew to ₱7.3 million from ₱4.3 million coming from cost savings and support fees of corporate clients. In addition to audio, video and television categories SolidService is now an accredited Heating Ventilation and Air Conditioning (HVAC) service provider. It will continue to provide more value-added services to new markets to optimize its network of over 30 branches.



OMNI's TV assembly area in Bicutan



SEC contract signing with new partners

DISTRIBUTION & RETAIL

This segment grew its revenue by 141% to P1.3 billion primarily from the Retail Business.

Solid Video Corporation's (SVC) revenue went up by 24% to P281 million from P226 million in 2022 (from P316 million in 2021) attributable to a major studio integration project with a government agency and sale of high-end medical and video production equipment. Accordingly, net profit went up by 182% to P29 million compared to P10 million in 2022. With the improvement in technology in both hardware and software for the creation of video materials for various applications from corporate videos to cinema production, opportunities are vast. In 2024, SVC is forecasting P400 million in revenue with integration projects supplementing its distribution of professional and broadcast equipment.



Professional and broadcast equipment exhibit

Avid Sales Corporation (Avid) is engaged in the business of consumer electronics retail through both online and offline networks with 36 outlets and digital solutions for institutional clients. Avid recognized P895 million in revenue and P14.4 million in net profit for the full year of 2023 from its Sony Centre and AV surfer stores and kiosks nationwide, direct corporate and government sales and e-commerce online business. Avid was acquired in November 2022, where it contributed P95 million in revenue and P457 thousand profit from its one-month (December 2022) operation. In 2024, it is projecting net sales revenue to exceed P1 billion.



Avid's kiosk in Estancia Mall, Capitol, Pasig City

Amidst the drastic slowdown in the sales of local cell phone brands in the Philippines, MySolid Technologies & Devices Corporation (MySolid) downsized and rationalized its business and focused on tablet devices for government projects and basic phones for net loss of P8 million was incurred in 2023 from P5.2 million profit in 2022. MySolid expects P120 million in revenues with breakeven results as it clears out its remaining inventory by the end of 2024.

Revenue from SolidGroup Technologies Corporation (SGTC), distributor of MyHouse modular structures reached P34 Million from to P27 million in 2022 from sales to corporate and residential clients. For 2024, SGTC is projecting P70 Million in revenue from sale to property developers for construction barracks and temporary relocation housing for LGUs.

INVESTMENT & OTHERS

Investments and others segment posted a 6% revenue growth to P396 million from P373 million in 2022 (P277 million in 2021) brought by slightly higher dividends from subsidiaries of P199 million from P195 million in 2022 (P135 million in 2021). However, net profit was stable at P236 million from P240 million the previous year despite a provision for impairment of investment in an associate.

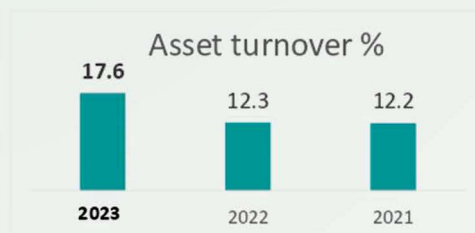
Solid Manila Finance Corporation engaged in consumer financing stabilized in 2023 after setbacks during the pandemic caused by irregular school operations affecting borrower's payment capacity. It is pursuing more competitive lending rates to target higher volume of accounts.

As cash flow performance remained strong, SGI distributed P109 million to stockholders in the form of cash dividends in 2023 as well as in 2022. With the positive business outlook in 2024 it expects to consistently provide dividends to shareholders based on financial performance. The Company looks forward to continued strong performance in operations and investments, to maintaining a healthy balance sheet year after year towards long term growth and sustainability.

FINANCIAL HIGHLIGHTS

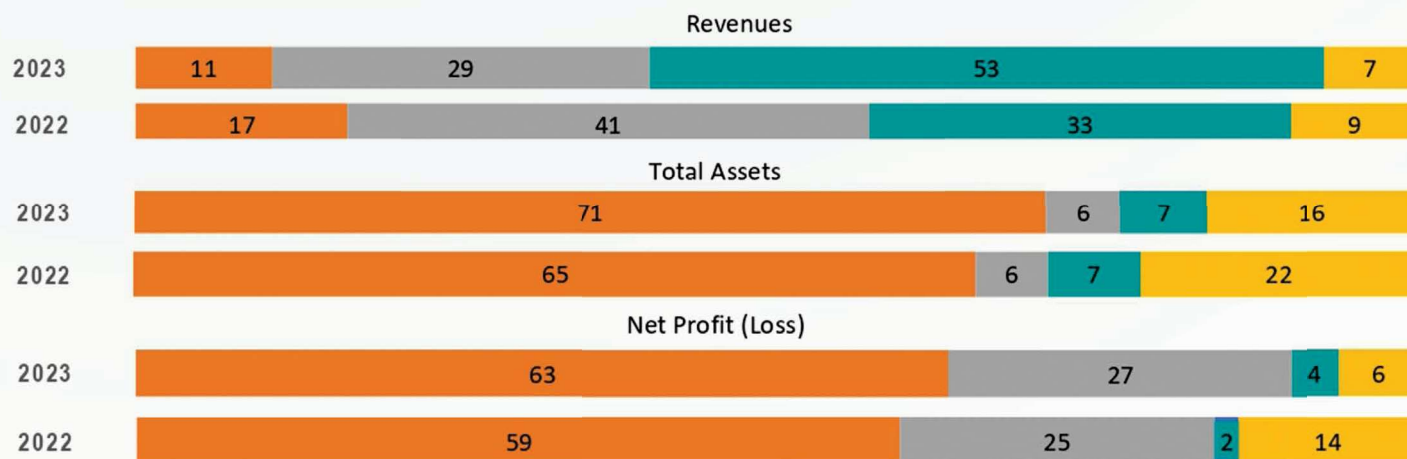
Financial Position in billion pesos	2023	2022	2021
Total Assets	14.31	13.66	12.99
Total Liabilities	1.96	1.67	1.40
Total Equity	12.35	12.00	11.59
Total Equity - Parent	12.05	11.67	11.25

Cash Activities and Positions in million pesos (rounded off)	2023	2022	2021
Net Cash from (used in):			
Operating Activities	158	296	412
Investing Activities	(1,207)	857	1,431
Financing Activities	(63)	(124)	(45)
Cash & Cash Equivalent	2,711	3,832	2,750



Percentage Share of Business Segments

■ Property & Related Services
 ■ Logistics & Technical Solutions
 ■ Distribution/Retail
 ■ Investments & Others



* Property & Related Services segment's net profit includes fair value gains on investment properties.

BOARD OF DIRECTORS



JASON S. LIM
Chairman of the Board



SUSAN L. TAN
President & CEO



DAVID S. LIM
EVP, Chief Strategy Officer



VINCENT S. LIM
SVP, CFO & Chief Risk Officer



KEVIN MICHAEL L. TAN
VP, New Investments



JONATHAN JOSEPH LIM
VP, Property Business



BEDA T. MANALAC
SVP, Investor & Stakeholder Relations



RAFAEL F. SIMPAO, JR.
Independent Director



ATTY. SIEGFRED MISON
Independent Director

CORPORATE OFFICERS



LITA JOAQUIN – SVP, Treasurer; **CHRISTOPHER JAMES TAN** – SVP, Business Integration; **ANNABELLA ORBE** – VP, Chief Accounting Officer; **ERICSON SALVADOR** – VP, Chief Audit Executive; **JOSEPHINE SANTIAGO** – VP, Chief Information Officer; **ATTY. ROBERTO SAN JOSE** – Corporate Secretary; **ATTY. ANA MARIA KATIGBAK-LIM** – Asst. Corporate Secretary

EXECUTIVE OFFICERS



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



JONATHAN JOSEPH C. LIM
President, Solid Manila Corporation



CHRISTOPHER JAMES L. TAN
President, Solid Video Corporation



KEVIN MICHAEL L. TAN
VP, MySolid Technologies & Devices Corp.



JOJI H. TAN
President, SolidService Electronics Corp.



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



MICHELLE MAY C. LIM
GM, Green Sun & Casa Bocobo Hotels



CHRISTIANE SHERWIN D. CHAN
President, Avid Sales Corporation



BEDA T. MANALAC
President, SolidGroup Technologies Corp.



RUDOLPH M. PANLILIO
VP, MyHouse Modular Structures

CSR & EMPLOYEE ACTIVITIES

Solid Group continued its support to Caritas SLEP scholarship to deserving students from provinces. The company is also committed to corporate social responsibility by prioritizing environmental sustainability, community development as well as employees welfare, thereby contributing to societal well-being and development.



SOLID GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022
(With Corresponding Figures as of January 1, 2022)
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>December 31,</u> <u>2023</u>	December 31, 2022 (As Restated – see Note 2)	January 1, 2022 (As Restated – see Note 2)
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	5	P 2,710,806,862	P 3,832,058,109	P 2,749,788,562
Short-term placements	5	153,780,405	-	1,702,458,454
Trade and other receivables - net	6	251,417,991	242,779,722	327,047,374
Advances to related parties	25	2,420,429	2,386,851	2,386,851
Merchandise inventories and supplies - net	8	337,347,302	324,629,855	124,880,881
Real estate inventories	9	428,929,955	428,929,955	437,787,335
Other current assets - net	13	480,578,047	<u>350,046,112</u>	<u>237,055,863</u>
 Total Current Assets		 <u>4,365,280,991</u>	 <u>5,180,830,604</u>	 <u>5,581,405,320</u>
NON-CURRENT ASSETS				
Trade and other receivables	6	1,084,168,861	941,259,567	838,536,028
Financial assets at fair value through other comprehensive income	7	55,400,000	37,000,000	27,400,000
Investment in an associate	7	48,022,714	88,022,714	76,512,000
Investment in bonds	7	20,000,000	20,000,000	20,000,000
Right-of-use assets - net	10	4,665,980	2,901,782	5,673,637
Property and equipment - net	11	1,594,725,932	1,586,203,581	1,626,508,328
Investment properties - net	12	6,967,166,931	5,608,592,324	4,638,814,250
Post-employment benefit asset - net	21	123,953,587	152,210,254	131,951,617
Deferred tax assets - net	22	11,044,677	9,950,528	12,090,214
Other non-current assets - net	13	38,933,179	<u>37,901,985</u>	<u>26,279,062</u>
 Total Non-current Assets		 <u>9,948,081,861</u>	 <u>8,484,042,735</u>	 <u>7,403,765,136</u>
 TOTAL ASSETS		 <u>P 14,313,362,852</u>	 <u>P 13,664,873,339</u>	 <u>P 12,985,170,456</u>

		December 31, 2023	December 31, 2022 (As Restated – see Note 2)	January 1, 2022 (As Restated – see Note 2)
	Notes			
<u>LIABILITIES AND EQUITY</u>				
CURRENT LIABILITIES				
Trade and other payables	15	P 586,312,082	P 478,162,124	P 455,481,732
Customers' deposits		4,272,982	14,591,002	10,366,460
Lease liabilities	10	5,120,889	2,791,164	3,711,489
Income tax payable		15,271,602	13,925,841	1,072,680
Advances from related parties	25	-	1,881,570	1,881,570
Total Current Liabilities		<u>610,977,555</u>	<u>511,351,701</u>	<u>472,513,931</u>
NON-CURRENT LIABILITIES				
Interest-bearing loan	14	105,000,000	-	-
Refundable deposits	16	192,693,811	184,885,593	26,244,550
Post-employment benefit obligation	21	20,200,719	15,844,501	19,793,584
Deferred tax liabilities - net	22	1,031,056,402	955,050,472	874,570,581
Lease liabilities	10	-	748,583	2,878,860
Total Non-current Liabilities		<u>1,348,950,932</u>	<u>1,156,529,149</u>	<u>923,487,575</u>
Total Liabilities		<u>1,959,928,487</u>	<u>1,667,880,850</u>	<u>1,396,001,506</u>
EQUITY				
Attributable to the Parent Company's stockholders				
Capital stock	23	2,030,975,000	2,030,975,000	2,030,975,000
Additional paid-in capital		4,641,701,922	4,641,701,922	4,641,701,922
Treasury shares - at cost	23	(115,614,380)	(115,614,380)	(115,614,380)
Revaluation reserves - net	23	128,781,811	149,200,491	50,287,013
Retained earnings	23	<u>5,362,557,945</u>	<u>4,962,231,103</u>	<u>4,643,901,604</u>
Total equity attributable to the Parent Company's stockholders		12,048,402,298	11,668,494,136	11,251,251,159
Non-controlling interests	23	<u>305,032,067</u>	<u>328,498,353</u>	<u>337,917,791</u>
Total Equity		<u>12,353,434,365</u>	<u>11,996,992,489</u>	<u>11,589,168,950</u>
TOTAL LIABILITIES AND EQUITY		<u>P 14,313,362,852</u>	<u>P 13,664,873,339</u>	<u>P 12,985,170,456</u>

See Notes to Consolidated Financial Statements.

SOLID GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(With Corresponding Figures as of January 1, 2022)

	Notes	2023	2022	2021
REVENUES				
Sale of goods	4, 25	P 1,315,397,087	P 569,204,496	P 595,189,618
Rendering of services	25, 26	782,652,204	742,891,260	676,223,209
Rentals	12, 25, 27	278,482,627	265,740,814	240,777,116
Interest	5, 6, 7, 25	90,293,659	56,669,513	26,869,721
Sale of real estate		-	-	892,857
		2,466,825,577	1,634,506,083	1,539,952,521
COSTS OF SERVICES, SALES, RENTALS AND REAL ESTATE SALES				
	17, 18			
Cost of sales		1,037,750,665	448,487,210	494,517,506
Cost of services		529,239,509	535,987,772	508,324,310
Cost of rentals		72,186,605	73,732,185	66,528,808
Cost of real estate sales		-	-	434,180
		1,639,176,779	1,058,207,167	1,069,804,804
GROSS PROFIT				
		827,648,798	576,298,916	470,147,717
OTHER OPERATING EXPENSES (INCOME)				
General and administrative expenses	18	488,827,742	383,232,503	317,581,180
Selling and distribution costs	18	124,760,455	13,953,887	44,267,297
Other operating income - net	19	(362,285,587)	(292,500,950)	(553,169,725)
		251,302,610	104,685,440	(191,321,248)
OPERATING PROFIT				
		576,346,188	471,613,476	661,468,965
OTHER INCOME (CHARGES) – Net				
Finance income	5, 6, 20	128,342,280	83,341,782	81,961,223
Finance costs	20	(6,009,463)	(1,835,328)	(2,691,280)
Gain on bargain purchase	1	-	14,551,673	-
Other gains	20	32,666,476	24,473,330	14,704,501
		154,999,293	120,531,457	93,974,444
PROFIT BEFORE TAX				
		731,345,481	592,144,933	755,443,409
TAX EXPENSE				
	22	199,580,349	163,218,285	77,854,004
NET PROFIT				
		P 531,765,132	P 428,926,648	P 677,589,405
Net profit attributable to the:				
Parent Company's stockholders	24	P 509,619,362	P 427,622,019	P 666,154,358
Non-controlling interests		22,145,770	1,304,629	11,435,047
		P 531,765,132	P 428,926,648	P 677,589,405
Basic and diluted earnings per share attributable to the				
Parent Company's stockholders	24	P 0.28	P 0.23	P 0.37

See Notes to Consolidated Financial Statements.

SOLID GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(With Corresponding Figures as of January 1, 2022)

	Notes	2023	2022	2021
NET PROFIT		P 531,765,132	P 428,926,648	P 677,589,405
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified subsequently to profit or loss –				
Currency exchange differences on translating financial statements of foreign operations	23	(9,249,466)	86,245,201	29,777,985
Items that will not be reclassified subsequently to profit or loss:				
Fair value gains on financial assets at fair value through other comprehensive income	7, 23	18,400,000	9,600,000	3,300,000
Remeasurement of post-employment defined benefit plan	21, 23	(39,063,646)	3,462,228	2,277,975
Tax income (expense)	22, 23	9,494,432	(393,951)	4,009,791
		(11,169,214)	12,668,277	9,587,766
		(20,418,680)	98,913,478	39,365,751
TOTAL COMPREHENSIVE INCOME		P 511,346,452	P 527,840,126	P 716,955,156
Total comprehensive income attributable to:				
Parent Company's stockholders		P 489,200,682	P 526,535,497	P 705,520,109
Non-controlling interests		22,145,770	1,304,629	11,435,047
		P 511,346,452	P 527,840,126	P 716,955,156

See Notes to Consolidated Financial Statements.

SOLID GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 and 2021
(With Corresponding Figures as of January 1, 2022)

Attributable to the Parent Company's Stockholders

	Notes	Attributable to the Parent Company's Stockholders						Total Equity	
		Capital Stock	Additional Paid-in Capital	Treasury Shares - at Cost	Revaluation Reserves	Retained Earnings	Total		Non-controlling Interests
Balance at January 1, 2023		P 2,030,975,000	P 4,641,701,922	(P 115,614,380)	P 149,200,491	P 4,906,253,479	P 11,612,516,512	P 328,498,353	P 11,941,014,865
As previously reported		-	-	-	-	55,977,624	55,977,624	-	55,977,624
Effect of restatement	2	2,030,975,000	4,641,701,922	(115,614,380)	149,200,491	4,962,231,103	11,668,494,136	328,498,353	11,996,992,489
As restated		-	-	-	-	-	-	5,689,831	5,689,831
Effect of deconsolidation of subsidiaries	23	-	-	-	-	(109,292,520)	(109,292,520)	(51,301,887)	(160,594,407)
Dividends declared	23	-	-	-	(20,418,680)	509,619,362	489,200,682	22,145,770	511,346,452
Total comprehensive income (loss) for the year		-	-	-	(509,619,362)	489,200,682	22,145,770	511,346,452
Balance at December 31, 2023		P 2,030,975,000	P 4,641,701,922	(P 115,614,380)	P 128,781,811	P 5,369,557,945	P 12,048,402,298	P 305,032,067	P 12,353,434,365
Balance at January 1, 2022		P 2,030,975,000	P 4,641,701,922	(P 115,614,380)	P 50,287,013	P 4,587,923,980	P 11,195,273,535	P 337,917,791	P 11,533,191,326
As previously reported		-	-	-	-	55,977,624	55,977,624	-	55,977,624
Effect of restatement	2	2,030,975,000	4,641,701,922	(115,614,380)	50,287,013	4,643,901,604	11,251,251,159	337,917,791	11,589,168,950
As restated		-	-	-	-	(109,292,520)	(109,292,520)	(10,724,067)	(120,016,587)
Dividends declared	23	-	-	-	98,913,478	427,622,019	526,535,497	1,304,629	527,840,126
Total comprehensive income for the year		-	-	-	-	427,622,019	526,535,497	1,304,629	527,840,126
Balance at December 31, 2022		P 2,030,975,000	P 4,641,701,922	(P 115,614,380)	P 149,200,491	P 4,962,231,103	P 11,668,494,136	P 328,498,353	P 11,996,992,489
Balance at January 1, 2021		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
As previously reported		-	-	-	-	55,977,624	55,977,624	-	55,977,624
Effect of restatement	2	2,030,975,000	4,641,701,922	(115,614,380)	10,921,262	3,977,747,246	10,545,731,050	366,558,216	10,912,289,266
As restated		-	-	-	-	-	-	(40,075,472)	(40,075,472)
Dividends declared	23	-	-	-	39,365,751	666,154,358	705,520,109	11,435,047	716,955,156
Total comprehensive income for the year		-	-	-	-	666,154,358	705,520,109	11,435,047	716,955,156
Balance at December 31, 2021		P 2,030,975,000	P 4,641,701,922	(P 115,614,380)	P 50,287,013	P 4,643,901,604	P 11,251,251,159	P 337,917,791	P 11,589,168,950

See Notes to Consolidated Financial Statements.

SOLID GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(With Corresponding Figures as of January 1, 2022)

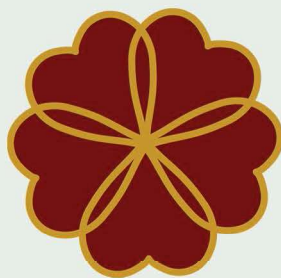
	Notes	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 731,345,481	P 592,144,933	P 755,443,409
Adjustments for:				
Fair value gains on investment properties - net	12	(296,696,566)	(216,030,827)	(500,949,401)
Interest income	5, 6, 7, 21, 25	(192,070,738)	(94,489,051)	(45,655,958)
Depreciation and amortization	10, 11, 13, 18	85,796,379	83,921,372	86,391,426
Impairment loss on investment in associates	7, 18	40,000,000	-	-
Interest expense	10, 21	9,758,968	5,637,252	4,843,892
Gain on sale of property and equipment	11, 20	(4,464,233)	(1,601,267)	(1,410,329)
Gain on deconsolidation	20, 23	(3,344,559)	-	-
Impairment loss on trade and other receivables - net	6, 20	367,814	784,916	-
Gain on sale of investment property	12, 20	(339,000)	(649,000)	-
Unrealized foreign currency exchange gains		(20,197)	(435,394)	(13,901,755)
Gain on bargain purchase of a subsidiary	1	-	(14,551,673)	-
Reversal of allowance for inventory obsolescence – net	8	-	(11,145,980)	(39,478,252)
Impairment loss on input value-added tax	13, 18	-	803,925	33,579
Reversal for impairment losses on trade and other receivables – net	6, 20	-	-	5,008,187
Gain on derecognition of liabilities	15, 20	-	-	(3,519,420)
Impairment losses on advances to related parties	18, 25	-	-	1,000,000
Derecognition of cancelled project		-	-	109,929
Operating profit before working capital changes		370,333,349	344,389,206	247,915,307
Decrease (increase) in trade and other receivables		(145,631,463)	100,386,465	(108,814,515)
Decrease (increase) in merchandise inventories and supplies		(12,717,447)	(106,186,773)	112,953,041
Increase in real estate inventories		-	(13,687,463)	(692,719)
Increase in advances to related parties		-	-	(1,000,000)
Decrease (increase) in other current assets		(131,856,817)	(48,891,352)	117,345,031
Decrease (increase) in post-employment benefit asset		37,091,591	(5,613,064)	3,411,909
Decrease (increase) in other non-current assets		(970,642)	(11,637,822)	160,314
Increase (decrease) in trade and other payables		108,188,945	(95,625,482)	72,104,549
Increase (decrease) in customers' deposits		(10,318,020)	4,224,542	(5,350,910)
Decrease in advances from related parties		7,237,448	-	-
Increase (decrease) in refundable deposits		6,887,054	158,450,070	(3,299,577)
Increase (decrease) in post-employment benefit obligation		(41,992,095)	6,751,107	(2,229,461)
Cash generated from operations		186,251,903	332,559,434	432,502,969
Interest received		84,009,745	55,130,603	31,167,032
Cash paid for income taxes		(112,503,500)	(91,606,316)	(52,049,934)
Net Cash From Operating Activities		157,758,148	296,083,721	411,620,067
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of investment property	12	(1,070,227,041)	(745,944,118)	(110,515,004)
Additional short-term placements	5	(746,325,903)	(4,775,490,726)	(4,573,404,102)
Maturity of short-term placements	5	592,545,498	6,477,949,180	6,197,422,585
Interest received		91,914,465	32,011,415	14,457,615
Acquisitions of property and equipment	11	(89,213,822)	(37,222,933)	(28,298,018)
Proceeds from disposal of investment property	12	8,688,000	12,980,000	-
Proceeds from disposal of property and equipment	11	5,873,942	4,320,856	8,209,869
Acquisition of intangible assets	13	(82,087)	-	-
Collection of (additional) advances to related parties	25	(33,578)	-	1,000,000
Acquisition of a wholly owned subsidiary	1	-	(100,200,100)	-
Additional investments in an associate	7	-	(11,510,714)	(58,326,400)
Investment in bonds	7	-	-	(20,000,000)
Refund of payment from construction-in-progress		-	-	500,000
Net Cash From (Used in) Investing Activities		(1,206,860,526)	856,892,860	1,431,046,545
Balance brought forward		(P 1,049,102,378)	P 1,152,976,581	P 1,842,666,612

	Notes	2023	2022	2021
<i>Balance carried forward</i>		(P 1,049,102,378)	P 1,152,976,581	P 1,842,666,612
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	23	(160,594,407)	(120,016,587)	(40,075,472)
Proceeds from availment of interest-bearing loans	14	105,000,000	-	-
Repayment of lease liabilities	10	(7,201,585)	(4,191,680)	(4,955,272)
Net Cash Used in Financing Activities		(62,795,992)	(124,208,267)	(45,030,744)
Effects of Foreign Exchange Rate Changes on Cash and Cash Equivalents				
		(9,229,262)	445,205	33,817,535
CASH OF ACQUISITION (DECONSOLIDATION) OF SUBSIDIARIES				
	1, 23	(123,615)	53,056,028	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		(1,121,251,247)	1,082,269,547	1,831,453,403
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
		3,832,058,109	2,749,788,562	918,335,159
CASH AND CASH EQUIVALENTS AT END OF YEAR				
		P 2,710,806,862	P 3,832,058,109	P 2,749,788,562

Supplemental Information on Non-cash Investing and Financing Activities:

1. In 2022, the Group transferred certain investment properties with a carrying amount of P2.4 million, respectively, to property and equipment (see Notes 11 and 12). There was no similar transaction in 2023.
2. In 2022, a subsidiary sold its remaining parcels of land to another subsidiary. As a result, the parcels of land with a total cost of P22.5 million were reclassified from real estate inventories to investment properties (see Notes 9 and 12). There was no similar transaction in 2023.
3. The Group recognized additional right-of-use asset and lease liability both amounting to P8.3 million in 2023 (see Note 10). There was no similar transaction in 2022.
4. As a result of deconsolidation of certain subsidiaries in 2023, the Group derecognized the related assets and liabilities of the subsidiaries from the consolidated financial statements as of December 31, 2023 (see Note 23).
5. Management obtains annual appraisal reports on its investment properties from independent appraisers. As a result of the appraisal, the Group recognizes fair value gains on investment property amounting to P296.7 million, P216.0 million and P500.9 million in 2023, 2022, and 2021, respectively (see Note 19).
6. In 2022, the Parent Company acquired shares of Avid to bring its ownership interest to 100%. As a result of acquisition, the Group's property and equipment and right-of-use assets increased by P3.1 million and P0.8 million, respectively.

See Notes to Consolidated Financial Statements.



SOLID GROUP INC.

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